



The **GTM**
GREATER TUBATSE
MUNICIPALITY

South Africa's first democratic platinum city



GREATER TUBATSE MUNICIPALITY 2010/2011 ANNUAL REPORT

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- (i) Cllr. N.J. Mahlale (Mayor)
- (ii) Cllr. S.C. Mphogo (Portfolio Head: Finance)
- (iii) Cllr. P.A. Mohlala (Portfolio Head: Technical Services)
- (iv) Cllr. S.O.Seruthwane (Portfolio Head: Economic and Land Development)
- (v) Cllr. M. D. Nkosi (Portfolio Head: Corporate Services)
- (vi) Cllr M.R. Khoza (Portfolio Head: Community Services)
- (vii) Cllr. R.R. Manotwane (Deputy Head: Community Services)
- (viii) Cllr. M.A. Malatjie (Deputy Head :Technical Services)
- (ix) Cllr .M.E.Makgoga (Deputy Head: Economic and Land Development)
- (x) Cllr. L.D. Moraba (Deputy Head: Finance)

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This document has been issued in terms of section 127 (2) of Municipal Finance Management Act, Act No. 56 of 2003, which states that the Mayor of a municipality must, within seven month after the end of a financial year, table in the municipal council the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control.

ABBREVIATIONS

AIDS	Acquired immune Deficiency Syndrome
ANC	African National Congress
CDW	Community Development Worker
CLLR	Councillor
CPMD	Certificate Programme in Management Development
COPE	Congress of the people
DTI	Department of Trade and Industry
ELMDP	Executive Leadership Management Development programme
EPWP	Extended Public work programme
ESKOM	Electricity Supply Commission
FET	Further Education and Training
F/Y	Financial Year
GTM	Greater Tubatse Municipality
HIV	Human Immune Virus
IDP	Integrated Development Plan
IEC	Independent Electoral Commission
IGR	Intergovernmental Relations
ILO	International Labour Organisation
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development

LIBSA	Limpopo Business Support Agency
MEC	Member of Executive Committee
MTREF	Medium Term Revenue and Expenditure Framework
NCOP	National Council of Provinces
NDPG	Neighbourhood Development programme Grant
PMS	Performance Management System
PR	Proportional Representation
RSA	Republic of South Africa
SDBIP	Service Delivery and Budget Implementation Plan
SDM	Sekhukhune District Municipality
SETA	Sector Education and Training Authority
TRP	Two Rivers Platinum Mine

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CHAPTER 01

CHAPTER 01: MAYOR'S FOREWORD AND EXECUTIVE SUPPORT

COMPONENT A: MAYOR'S FOREWORD

2010/2011 financial year was filled with number of activities that kept us on our toes, both national and local spheres of government, namely: FIFA soccer world cup tournament which took parts of 2009/10 and 2010/2011; NCOP visit to our municipality and Local government elections toward the end of the financial year, which ushered in new administration in municipalities. They have left remarkable social and economic marks in our lives; it remains to us whether we can explore the positive out of them for our benefit.

In line with our vision” developed Platinum city for benefit of all” the municipality in the financial year under review has been engaged in various community development programmes and projects to improve the lives of its people. These efforts have been blessed by obtaining qualified Opinion from Auditor general. But the high rate of unemployment especial among the economical active generations; high basic service delivery backlog and limited powers and functions to key basic services like water, electricity and housing pose a challenge on the achievement of the vision. The contribution made by the mines, sector departments and retail companies in job creation are worth noting but does not equal the challenges. The transfer of all water functions from the Locals which were water service provider to District municipality elevated basic service challenges in the municipality.

When the 2010/11 financial year began we set ourselves targets with clear objectives and time frames. Our main objective as the Municipality is to deliver basic services to our communities to undo and redress the legacy of the past. We received many complaints from our communities demanding us to deliver basic services without delays. Their complains are justified, but due to meagre resources at our disposal were unable to reach all corners of the Municipality. With the assistance of other spheres of government we will continue to work harder to put smiles upon the face of our rural communities.

Our budget for the 2010/11 financial was R213 million and R47 million was set up for the implementation of the capital projects. The following projects were completed;

- Electrification project at Maepa, Kgotlopong and Maahlashi
- Rural access roads at Ngwaabe, Bothashoek and Ga-Phala to Modubeng
- Internal streets at Burgersfort and Praktiseer
- Moeng Community hall
- Access bridges at Mareseleng, Swale & Tidintitsane, Lekgwareng/Ga-Motshana and Ga-Makofane

The Ngwaabe access road was incomplete when the financial ended and will be completed in the 2011/12 financial year.

I feel obliged to credit our public participation and IDP units for the staling work done to engage and inform our communities about municipal programmes and plans. The contributions of sector departments and business in our PMS/IDP forums are appreciated. We have also improved our community consultation meetings by increasing the number of clusters; our clusters now comprise two wards or one. This approach has improved our planning and public attendance in our programmes and plans.

We are proud to introduce 2011/2012 financial projects that have been communicated and blessed by our communities. The projects are sufficient to undo the injustice of the past but an attempted in right direction. A list of 2011/2012 financial year projects are reflected below;;

- Access bridges at Alverton, Dresden, Marapong, Mokobola, Molawetsi and Motlolo
- Internal streets at Ngwaabe, Praktiseer, Burgersfort and Ohrigstad
- Establishment of Mapodile Sports complex
- Fencing of rural cemeteries
- Electrification of Maahlashi(phase 2), Mafarafara, Malepe, Moraba, Motshana, Mokgotho, Maretlwaneng, Mankele and Mamogolo,

In concluding, our municipal offices have been moved from the Kort and Sedibe Street to Kastania Street, building which hosts all municipal departments. The new offices are resourced and they are a one stop shop which is a convenient to our customers and clients. Library services, IEC and LIBSA have remained in the old offices. We hope translate our close proximate into good services to our communities.

We would like to take this opportunity to acknowledge the contributions made by Mr. SPS Malepeng during his tenure as the Municipal Manager of the institution. The Municipality has achieved a lot under his stewardship and we are proud of that. We would like to wish him well in his future Endeavour's and we will always cherish his moments with us. We would like to thank the Sekhukhune District Municipality for seconding Mrs MF Mokoko who acted as the

Municipal Manager after the departure of Mr. SPS Malepeng, she has done an excellent job and from the bottom of our hearts we extend our sincere gratitude to her.

The outcome of local government elections that we have just hosted has changed our Political leadership in Council. We take this opportunity to thank the political parties and electorates of Greater Tubatse for the manner in which they conducted themselves during elections. We have witnessed maturity during campaigning period and the elections day. The elections were conducted in a free fair manner and the people have embraced the outcomes of the elections in a positive way. This is a demonstration that our people understand democracy and it is something that other regions can learn from us.

Lastly, we would like to pay our outmost respect and condolences to the families of Cllrs Manyaka MW and Makofane AS who passed on during the course of the financial year. It was a painful matter to deal with especially the contribution they had made to improve the lives of our communities, may their souls rest in peace.

I thank you

Hon Cllr Mahlake NJ

COMPONENT B: EXECUTIVE SUMMARY

1.1. Municipal Manager's overview

Section 121.2. (f) of the MFMA 56 of 2003 demands of the accounting officers of municipalities to include in their annual reports an assessment of the municipality's performance against the measurable performance objectives for revenue collected from revenue source and for each vote in the municipality's approved budget for the relevant financial year. But before presenting the assessment let's start by acknowledging the excellent work my predecessors, Mr. Malepeng S.P.S and Mrs. Mokoko F.M. have done for the municipality and not under-rating the support the councillors and the entire municipal staff have given to them to make the work of accounting officer doable. It is a spring-board from which the municipality will tap out energy, knowledge and experience for the future municipal plans and activities.

This report will be based on the performance of the municipality on the five Key performance areas as per the Five year strategic agenda, which are: institutional transformation and municipal development, basic service delivery, local economic development, financial viability and management and good governance and public participation.

Institutional transformation and municipal development

Our performance management system is still at organizational and section 57 manager's level. Plans are in place to cascade it to the entire staff, but starting with managers reporting directly to section 57 managers in 2011/2012. Performance agreements for Section 57 managers and SDBIP were signed within prescribed timeframe and submitted to council for noting. Conducting formal reviews has been a challenge to the municipality, but in 2010/2011 the municipality had made a breakthrough. It conducted its first formal assessment review simultaneously with the 2009/2010 second formal assessment in April 2011. In preparation for 2014 clean audit, the municipality is working on the A.G. findings on the PMS to improve its performance management system. The provincial and District PMS forums have been helpful in the improvement of the PMS.

Our IDP document was adopted by council within stipulated timeframe and is rate high by provincial IDP assessment team. The implementation of MEC's recommendation is high at municipal priorities.

The work skill plan was developed and submitted to the department of labour on time. Insufficient funds for training of the municipal employees hampered its objective of creating

knowledgeable workforce. Out of its 288 employees, the municipality has trained 42 employees, 23 male and 19 female on different courses.

An improvement of access to sustainable, quality and affordable services was compromised by unstaffed service delivery departments, Technical services and Economic and land developments. The municipality operated without town engineer, Project manager and ELD department was skeletal. Plans to staff them were hindered by financial constraints and lack of interest by most engineers to work in rural areas; hence only five people were recruited. The manager PMU was appointed towards the end of the financial year.

Employment Equity consideration in the municipality is challenged, out of the total number of 288 municipal employees including councillors 123 are women and 165 are men. In terms racial representation only whites and blacks are employed in the municipality, five whites and 283 blacks. People with disabilities are only three. The municipality is dominantly youth.

Basic service delivery

Limited powers and functions on basic services like water, electricity and housing pose a serious challenge to local municipalities. Often communities march to local municipalities demanding access to basic services. According to COGTA's 2009 Basic service publications the electricity backlog in the municipality was 30% (28 961 households) 2009. But since then the municipality has electrified 2813 households and planned to electrify 2088 in 2011/2012 financial year. To intensify the efforts of reducing the electricity backlog, council has adopted the application for Electricity license at NERSA.

The municipality has completed its process of transferring water and its infrastructure to the district municipality.

Refuse removal is done only in urban and semi-urban areas and only 4309 households benefit service. PPP project was advertised to procure private party to rehabilitate the old Landfill site. The municipality is working on a planning to extend the service to areas that have not benefitted before.

Despite the lack of municipal engineer and PMU manager the municipality completed its projects within timeframe except Ngwaabe internal street which was carried over to the 2011/2012 financial year. Compared to 2009/2010 financial year in which the municipality constructed 4km of access roads; in 2010/2011 the municipality constructed 4,8km of access roads in rural areas and three small access bridges were constructed compared to two which were constructed in 2009/2010.

To improve the accessibility of our villages, the municipality established its public work unit and developed a programme for grading all municipal streets. Insufficient and aging machineries hampered the progress. The grading of streets has decreased from 321km in 2009/2010 financial year to 56.3km. To supplement the shortage of machineries, the municipality has lobbied the support of public work which has availed two graders for the municipality.

Local Economic development

2162 jobs were created through LED initiatives in the municipality. The following are initiatives and number of jobs created:

Figure/Table 01 : Local economic development

Initiatives	Number of jobs created
1. Olive tree plantation	145
2. Land care projects	246
3. Community work projects	884
4. Steelpoort mining supply park	86
5. Household routine road maintenance	600
6. Municipal Projects	201
Total	2162

The municipality planned to support six poverty alleviation projects and due to financial constraints only three were supported. The supported projects were Mohlophi vegetable garden, Bosele poultry and Hunadi Matjie vegetable garden.

Financial Viability and management

The municipality received all its grants, but high municipal debts by its stakeholders especially government departments compromised its objective to generate sufficient revenue to fund all planned projects. That led to budget adjustment in January 2011 and most of municipal projects and programmes were dropped. The total breakdown of the debts is depicted below:

Figure/table 02: Financial viability

Department	Amount
1. Rural Development and land reform	R22,384,775
2. National public works	R1,703,126
3. Provincial public works	R115,000
4. Provincial Health	R3,673,876
5. Sassa	R4027
6. Education (FET)	R441,418
Total	R28,322,405

A task team was established to recover the government debts which report monthly to management.

Good governance and public participation

Contract management has been a challenge to the municipality, but due to numerous interventions and strategies developed there has been an improvement. The municipality now assess and report on the number of contracts it has and their performance. But there is still a need for further improvement in this area which we hope we will make it. Below are other achievements made:

- MPAC established; work shopped and functional;
- A.G. queries are attended to as per Audit implementation plan;
- Risk and IT committees established;
- Community satisfaction survey conducted and implementation plan for the findings developed;
- Communication strategy is developed and implemented

The municipality is working on programme to improve performance on the loading of its website and production of newsletters.

Let me conclude by welcoming the new council and wish them good lucky in their task ahead.

Municipal manager

H.L. Phala

1.2. Municipal functions, Population and Environmental Overview

Greater Tubatse municipality is one of the five local municipalities which constitute Sekhukhune District municipality. It is part of the Bushveld Igneous complex from Potgietersrus to Lydenburg. The municipality is dominantly rural and a large portion of its land is control by Traditional leaders. It has two townships namely: Praktiseer and Ga-Mapodile; and three towns which are Burgersfort, Ohrigstad and Steelpoort. Its Jurisdiction area is approximately 4 550km². The area has three Municipal growth points namely: Driekop, Ohrigstad and Mecklenburg; district and provincial growth points which are Steelpoort and Burgersfort respectively. Its main economic activities are Mining, Trade, Manufacturing, Tourism and Agriculture

According to 2007 community survey, the municipal population stands at 343 470 who live in 66 611 households. 25% of the population comprise teenager between 10 and 19 years and youth between 20 and 29 years constitute 17% of the population. The table/figure 04 below gives detail of municipal population.

The municipality is not an authority to most of basic services like water, electricity and housing; it only facilitate in the provisioning. Water provision is the competency of Sekhukhune District municipality, electricity ESKOM and housing provincial government. According to 2007 community survey 79% of the population in the municipality have access to water; 63.3% households have access to electricity and 22,1% to free basic electricity. From 2009/10 to 2010/11 date municipality incorporation with ESKOM has electrified 2813 new households. 73% of the households in the municipality are built by bricks and 11% built by traditional materials. 4309 households in 2010/11 had their refuse removed weekly. The table 01 below depicts functions of the municipality

Figure/Table 03: Greater Tubatse Municipality powers and functions

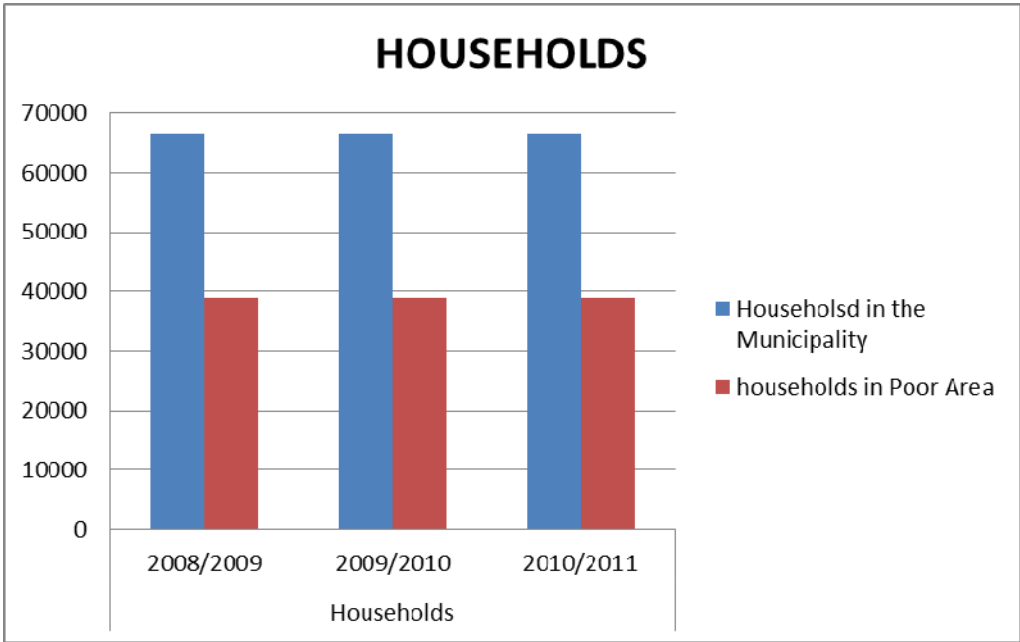
- ❖ Municipal Road
- ❖ Building Regulations;
- ❖ Local Tourism;
- ❖ Street lighting;
- ❖ Traffic and parking;
- ❖ Trading regulations;
- ❖ Local sports facilities;
- ❖ Municipal Planning;
- ❖ Municipal Public Transport;
- ❖ Municipal Airport;
- ❖ Billboard and advertisement;
- ❖ Control of Liquor , food outlets and street trading;
- ❖ Local amenities; and
- ❖ Waste and cleansing

Figure/Table04: Population details

Population Details									
Age	2008/2009			2009/2010			2010/2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age : 0-4	22878	21999	44877	22878	21999	44877	22878	21999	44877
Age : 5-9	20271	22517	42788	20271	22517	42788	20271	22517	42788
Age : 10 -19	41789	43165	84954	41789	43165	84954	41789	43165	84954
Age : 20 -29	23912	33617	57295	23912	33617	57295	23912	33617	57295
Age : 30 - 39	17991	38401	56392	17991	38401	56392	17991	38401	56392
Age : 40 -49	11028	16628	27656	11028	16628	27656	11028	16628	27656
Age : 50 -59	35077	13557	48634	35077	13557	48634	35077	13557	48634
Age : 60 -69	4808	7090	11898	4808	7090	11898	4808	7090	11898
Age: 70+	1484	3086	4570	1484	3086	4570	1484	3086	4570

Source: 2007 community survey

Chart 01: Municipality Households



Socio-Economic Status

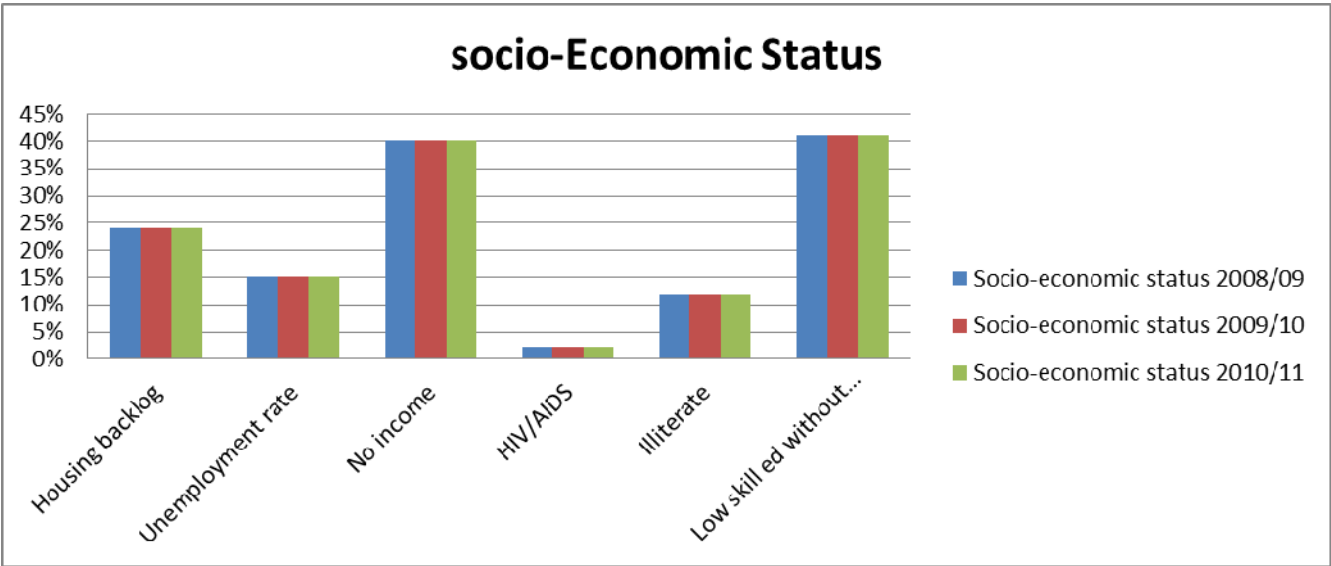
Since the 2007 community survey, there have not been any formal surveys conducted in the municipality. Therefore this report will rely on the 2007 community survey for all three consecutive financial years.

Figure/Table 05: Socio Economic Status

Socio Economic Status						
Year	Housing backlog as per proportion of current demand	Unemployment rate	proportion of households with no income	proportion of population in low - skilled Employment with no income	HIV/AIDS Prevalence	Illiterate people older than 14 years
2008/2009	24%	15%	40%	12%	2.3%	41%
2009/2010	24%	15%	40%	12%	2.3%	41%
2010/2011	24%	15%	40%	12%	2.3%	41%

Source: 2007 community survey

Chart 2 : Socio – Economic



Figure/Table 06: Overview of Neighborhoods within Tubatse Municipality

Overview of Neighborhoods within Tubatse Municipality		
Settlement Type	Households	Population
Towns		
1. Burgersfort	926	3707
2. Ohrigstad	172	688
3. Steelpoort	189	756
SUB-TOTAL	1287	5151
Townships		
1. Praktiseer	2331	11655
2. Mapodile	691	3 455
SUB-TOTAL	3022	15 110

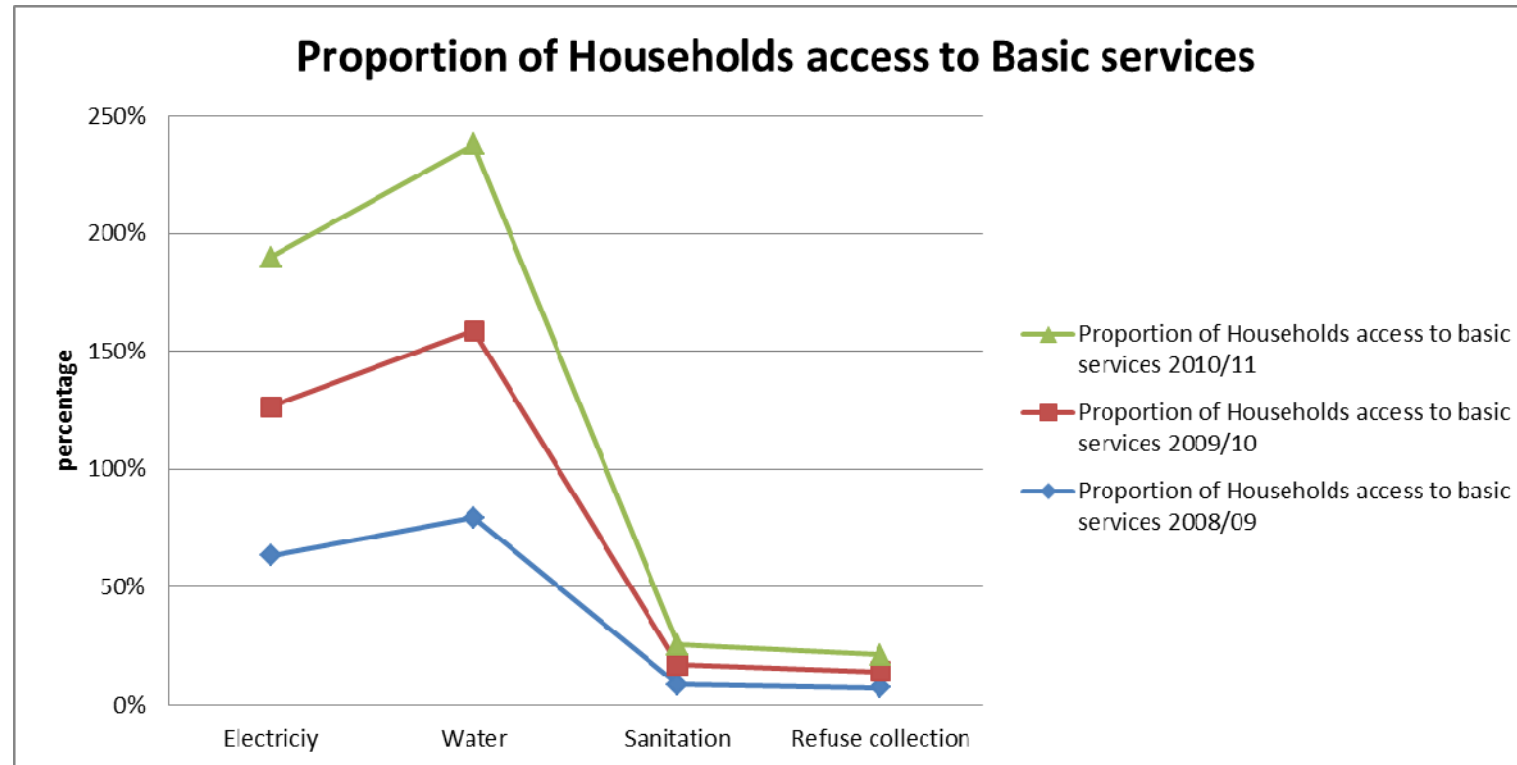
Rural Settlement	61 539	320 860
Informal settlement	1250	7500

Figure/Table 07: Natural Resources

Natural Resources	
Major Natural Resources	Relevance to Community
1. Mineral resources	Economic empowerment
2. Arable land	For agriculture
3. River	Water for irrigation and domestic
4. Caves and waterfalls	Tourism

1.3. SERVICE DELIVERY OVERVIEW

Chart 3: Proportion of Households access to Basic Services



Source: 2007 community survey

The municipality does not have authority to provide most of the basic services that are priority to the communities like water and sanitation, Electricity and Housing. Water is provided by Sekhukhune District municipality. GTM had been providing water and

Sanitation on agency base on behalf of SDM in the towns until 2009/2010 financial year when SDM council resolved to take the whole function back. When the financial year ended, process of the transferring water assets to the district was completed.

Provision of electricity is the competency of ESKOM and Department of mineral resources. According to COGTA's 2009 Basic services publications, in 2009 the electricity backlog in municipality was at 30% (28 961 households). Numerous interventions were made to assuage the backlog, since 2009/10 to date 2813 new households were electrified and 2088 are planned to benefit in the 2011/2012 financial year.

According to 2007 community survey, 39 000 households in Greater Tubatse municipality are indigents therefore qualifies for free basic services from the municipality. And according ESKOM reports on free basic Electricity for March 2010, 9292 households were configured, but only 6067 households could collect their tokens.

Refuse removal in the municipality is currently done in the urban areas that are the two townships (Praktiseer and Mapodile) and the towns (Burgersfort, Ohrigstad and Steelpoort). Total number of 4309 households are benefiting from the services.

Three access roads at the value of R11.3million and four access bridges at the value of R8.6million were constructed in the 2010/2011 financial to improve accessibility of our remote areas.

39 000 households were registered as indigents in 2007 according to 2007 community survey; 41610 households were receiving free basic services.

1.4. FINANCIAL HEALTH OVERVIEW

Due to low revenue collection in the financial year under review, the municipality during midyear reviews had to cut on its expenditure to equal its revenue, hence budget adjustment. Government departments and business were identified as the core cause of problem. Government debt alone was R28million. A three member task team was established to engage provincial treasury and MEC for local government to urge relevant departments to service their debts. No positive progress was made and the matter is receiving attention of the national treasury.

Figure/Table 08: Financial overview

Financial Overview- 2010/2011			
Details	Original budget	Adjustment budget	Actual
Income			
Grants	R100 014 956	R134 959 752	R134 974 708
Taxes, Levies and Tariffs	R54,446,084	R54,446,084	R48 256 039
Others	R11,964,169	R11,964,169	R15 223 435
Sub- Total	R219,776,253	R169 111 673	R199 645 583
Less Expenditure	R213,799,411	R210 198 931	R181 573 792
Net Total	R5 954 842	R41 087 258	R18 071 789

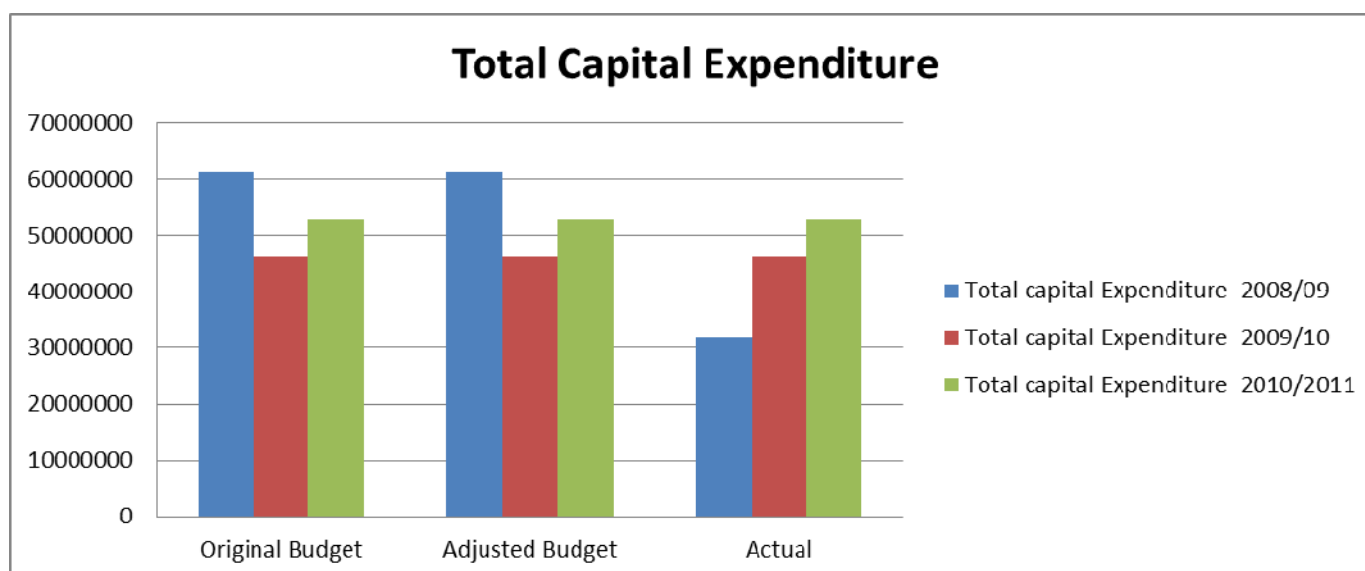
Figure/table 09: Operating ratio

Operating Ratios	
Details	%
Employee cost	38%
Repairs and Maintenance	2.6%
Finance charges and Depreciation	20%

Figure/table 10: Total Capital Expenditure

Total Capital Expenditure 2008/2009 – 2010/2011			
Details	2008/2009	2009/2010	2010/2011
Original budget	R61 267 317	R46 134 277	R52 851 000
Adjusted budget	R61 267 317	R46 134 277	R52 851 000
Actual	R32 050 813	R46 134 277	R52 851 000

Chart 04: Total Capital Expenditure



1.5. Organizational Development overview

In financial year under review, the municipality has introduced numerous training interventions to develop its employees including the councillors. 42 employees has benefited from the interventions. Five new employees were recruited into the municipality; two interns were given structured training. A detailed report is presented in chapter 04.

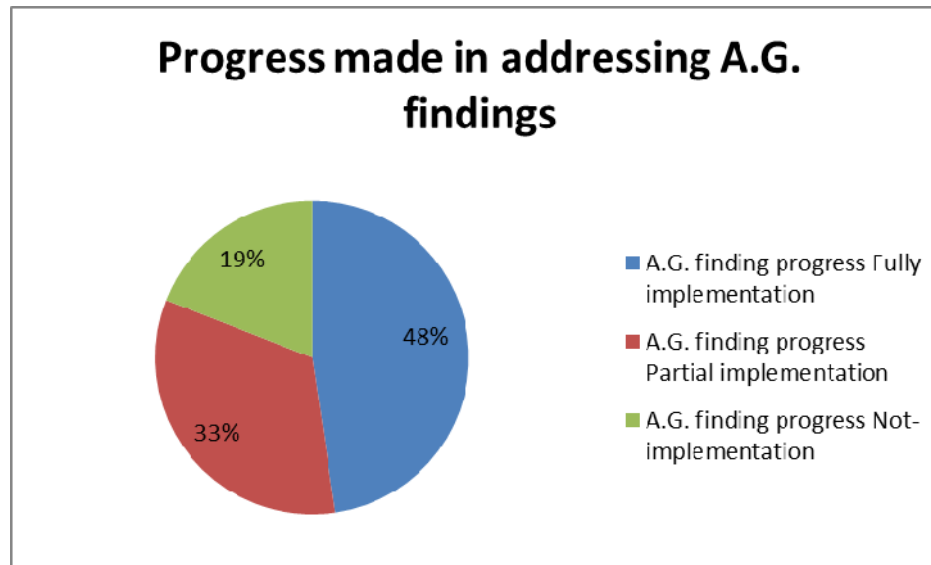
1.6. Auditor General Report 2009/2010

In the 2009/2010 financial year, the municipality obtained a qualified Opinion from the A.G. Basis for qualification was:

- Commitment of the value of R8 698 713 was not accounted for the financial statement and consequently the commitments were understated by the said amount;
- The accounts receivable balance of R45 955 667, as disclosed in the note five to the financial statements, does not agree to the balance of R45 101 274 per general ledger. The account receivable balance was overstated by R865 392; and the following matters were emphasized:
 - ❖ The corresponding figures for 30 June 2009 have been restated as a result of an error discovered during the 30 June 2010 in the financial statement of the municipality at, and for the year ended 30 June 2010 and
 - ❖ Fruitless and wasteful expenditure to R571 000 was incurred, as a truck that was purchased in 2008/2009 financial year was not utilized

An action plan to address the findings was developed. When the financial year ended 46% of the findings were addressed, 33% partially implementation and 19% not addressed. The graph below depicts the progress made in addressing the findings. A detailed report is presented chapter 06.

Chart 05: progress made in addressing A.G. Findings



1.7. Statutory Annual Report Process

Figure/Table 11: Statutory Annual Report process

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 10/11 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November

13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	January

Section 1127(2) of MFMA Act 56 of 2003 mandates the Mayors of Municipalities to table an annual report to the Council seven months after the end of the financial year. The Annual report comprises the annual performance report and the financial statement. The table above precisely depicts Annual report processes starting from planning, implementation, reporting to oversight.

Alignment of these processes is imperative for the municipality to attain its objectives. It assists the municipality to correctly address the needs of its community as from IDP processes the municipalities are able to pick up the community needs and develop a plan to address them. It is important for the implementation plan (SDBIP) to talk to the plan; otherwise the implementations will not address the community need. Likewise, the report will be irrelevant to the community if not reporting on matters of their concern.

CHAPTER 02

CHAPTER 02: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1. Political Governance

2.1.1. Introduction

The municipality has established both section 79 and 80 committees for effective and efficient performance of its functions and to assist executive committee and Council to perform its functions. The section 79 committees established are Rules committee, MPAC, which replaced Oversight committee and Audit committee; and they are all functional. Section 80 committees established are Strategy planning services, Finance, Economic and land development, Technical services, corporate services and Community services portfolio committees.

The municipality has health Troika relations, hence stable political environment. Apart from the Mayor, Chief whip and the Speaker; the municipality has four other fulltime councillors who are members of the Executive committee, who are heads Technical services, corporate services, finance and Economic and land Development. The other heads of departments, namely; Strategic planning, community services and deputies heads are part –time. Below are their photos, names and responsibilities the troika and Executive committee members for 2011/12.

2.1.1 (a) The Mayor



Cllr N.J. Mahlke

Functions of the Mayor

- Presides at meetings of the Executive committee;
- Decide when and where the executive committee will meet;
- Ensure that meetings of Executive committee are conducted in accordance with its rules and procedure;
- Coordinates the annual review of IDP;
- Provides general political guidance over the fiscal and financial affairs of the municipality;
- Provides general political guidance over the budget process and priorities that must guide the preparation of a budget;
- Enters on behalf of the municipality, into a performance agreement with the municipal manager;
- Represent the municipality at IGR for a; and
- Performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the council or executive committee as reflected in the delegation policy of the GTM

(b) The speaker



Cllr Q Moeng

Functions of the Speaker

- Presides at meetings of Council;
- Decide when and where the Council meets;
- Grants leave of absence to councillors for Council meeting;
- Signs the minutes of Council meetings;
- Performs the duties and exercise the powers delegated to the speaker in terms of section 59 of the MSA;
- Ensures that council meets at least quarterly;
- Maintain order during meetings;
- Ensures compliance in the council and council committees with code of conducts set out in schedule 1 of MSA;
- Ensures that council meetings are conducted in accordance with rules and orders of the council; and
- Any function as per delegation policy of GTM

(c) Chief Whip



Cllr M.S.Nkosi

Chief whip

- Informs councillors of Council and Executive committees of meetings called by the Speaker and Mayor respectively;
- Ensure that the meetings of the council and committees of the council quorate;
- Informs councillors of the Council and Executive committee of the important items on the relevant agenda;
- Advise the speaker on the amount of time allocated to speakers and the order of such the Speakers in addressing Council;
- Ensures that councilors' motions are prepared and timeously tabled in council in terms of Rules of order;
- Advises the Speaker and the Mayor on how to deal with important items not disposed of at a Council meeting pending its resolution;
- Advises the Speaker and Mayor on the agenda of Council meetings;
- Advises the Speaker and Mayor of urgent motions in writing prior to the commencement of the meeting;
- Assists the speaker with accounting of votes; and
- Prepare for special debates on the state of the municipality address or budget address

(d) Executive committee members

Pictures below depict the new executive committee which was elected after the 2010 local government election. The decision was taken to avoid contraction between the committee and the Mayor as the mayor's picture is recent Mayor who took over after the 2010 local government election.



Cllr. Mohlala P.A

Head: Technical services



Cllr. Khoza M.R

Head: Community services



Cllr. Mphogo S.C

Head: Finance



Cllr. Nkosi M.D

Head: Corporate services



Cllr. Seruthwane S.O

Head: Economic and Land
Development



Cllr. Malatjie M.A

Deputy Head: Technical services



Cllr. Makgoga M.E

Deputy Head: ELD



Cllr. Manotwane R.R

Deputy Head: Community services



Cllr. Moraba L.D

Deputy Head: Finance

(e) Councillors

The Council comprised 57 councillors of whom 29 are ward and 28 PR councillors. Two male councillors are living with disabilities. 44% of the council comprised of female and 66% were men. The council had nine meetings of which 4 were ordinary and 5 special council meetings

2.1.2. Political Decision – taking

Taking of political decision is the competency of the municipal council. Council ordinarily meets four times a year to take political decision on matters submitted before them by Executive committee. Executive committee derives its agenda from matters that served in different section 80 committees (Portfolio committees). In case of Urgent matters, special council meetings are arranged for Council to take political decisions on them. In the year under review, nine council meetings were recorded; four ordinary and five special. In all those meetings 507 resolutions were taken and implemented.

2.2. Administrative Governance

2.2.1. Top administrative structure

2.2.1.1. Municipal Manager



Mr. H.L. Phala

Functions of Municipal Manager

- Advises the structures and functionaries of the Municipality;
- Carries out the decision of the structures and functionaries of the Municipality;
- Administers and implements the Municipality's by-laws, resolutions and policies;
- Ensures that the municipality complies with applicable municipal finance management legislation;
- Implements national and provincial legislation applicable to the Municipality

2.2.1.2. Chief Finance Officer



Mr. M.L. Mokwena

Functions of CFO

- Manage Revenue collections;
- Manage Expenditure controls;
- Manage Budget services;
- Manage Supply chain;
- Asset management; and
- ICT management

2.2.1.3 Director Strategic Planning



Mrs. R.R. Molapo

Functions of Director Strategic Planning

- Render strategic support services;
- Manage annual IDP reviews;
- Institutionalize, manage, and monitor PMS;
- Manage, maintain and co-ordinate IGR;
- Compile, manage and monitor SDBIP; and
- Co-ordinates all reports relating to the above functions

2.2.1.4. Director ELD



Mr. M.H. Shai

Functions of Director ELD

- Render LED services;
- Render land use and town planning services and GIS;
- Facilitate housing allocation services.

2.2.1.5. Director Corporate Services



Mr. S.F. Mkhabela

Functions of Corporate Services

- Render HR management;
- Provide legal advisory services;
- Provide IEC services;
- Manage and maintain municipal administration.

2.2.1.6. Director Community services



Ms. D.K. Boshego

Functions Community services

- Renders environmental health services to the community;
- Renders social services including Library, sport, art & recreation , Disaster management, parks sand cemeteries;
- Traffic protection services

2.2.1.7. Acting Director Executive support



Mr. P.N. Malekane

Functions for Executive Support

- Manage public participation;
- Provide support to political office bearers;
- Provide communication services to the municipality;
- Provide secretariat service to council structures

2.2.1.8. Technical services



Mr. H.B. Mohlaba

Functions of Technical Services

- Ensure adherence to Civil engineering standard
- Render waste management services;
- Provide project management for implementation of infrastructure development

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3. Intergovernmental Relations

The municipality has established intergovernmental relations unit under Strategic planning services. The unit facilitates all intergovernmental forums of the municipality and renders customer care functions. Since its establishment, the intergovernmental functions in the municipality has improved; the participation of sector departments and mining houses in the IDP forum has improved; Presidential hotline issues and customer queries raised from Imbizo's/Exco – outreach are attended to and addressed.

The municipality has participated in a number of provincial forums which included the IDP and PMS Provincial forums, Premier's Mayors forum. The IDP and PMS forum are instrumental in the cascading and aligning the provincial programmes into the municipalities. Premier's Mayors forum is a strategic forum which gives strategic direction of the municipalities in the Province.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. Public meetings

Public participation unit is custodian of public meetings. The municipality has numerous types of public meetings, which includes Exco- outreach/Imbizo's, IDP/PMS forum, IDP consultations meetings, State of local municipal address. Below are number of public meetings the municipality has arranged in the financial year under review.

2.4.1. Exco- outreach

Exco – outreaches are call quarterly for executive committee to talk to the people. There are two types of Exco- Outreaches that the municipality usually arranges which are issues based and ordinary Exco – outreaches. Issue based Exco- outreaches are called to address a particular issue that may need urgent attention without going through the ordinary Exco – outreach route. In the 2010/2011 financial year the municipality scheduled four Exco – outreaches, but only three were held. The fourth Exco – outreach co-in –cided with the preparations for 2010 Local Government elections and as such it was postponed for the 2011/2012 financial year. No issue based Exco-outreach was held in 2010/2011 financial year.

2.4.2. IDP/PMS forums

Two IDP/PMS forums were planned for the 2010/2011, the first one was held on the 10th October 2010 where the municipality reported its IDP status qua document and the 2009/2010 4th quarter performance. Sector departments and business communities presented their 2010/11 financial year plans and programmes. The second IDP/PMS was held in 25 March 2011 prior the 2011/2012 IDP public consultation, in order to consolidate the draft IDP before presented to the public.

2.4.3. IDP/PMS public consultation

Numerous public consultation road shows led by the Mayor and Executive committee members were held in the financial year under review. Different stakeholders including Traditional leaders, rate payers, and church leaders were consulted on the draft 2011/2012 IDP and the performance report of the 2009/10 financial year. The road shows were followed by ward based consultations which were done simultaneously in all wards on the 6th April 2011. Wards which are adjacent were clustered into groups comprising less than three wards. Community made inputs which were considered when finalizing the IDP document. In line with circular 54 which gave municipalities two options of adopting IDP, GTM IDP was adopted by the out-going council on 19 April 2011.

2.4.4. State of the Local Municipality Address

State of Local Municipal address is meant for the Mayor to present programmes and projects for the coming financial year as per the approved IDP and also report progress of projects promised in the previous financial year. Due to preparation and the Local government election itself the SOLMA was postponed and 2011/2012 the projects and programmes were published in the local media to inform the community about them.

2.4.5. Wards committees

Wards committees are established to enhance participatory democracy in Local Government. They advise and recommend to the wards councillors on any matter concerning the wards; spread information in the wards; receive queries and complaints from the communities; interact with other forums in the wards and mobilize communities behind government programmes. Wards

committees meet monthly and meet the community at least once per quarter to give report and collect new issues that need attention of various stakeholders. In the year under review, the municipality had 29 wards. An overall of 348 monthly wards committees meetings were planned. The actual performance at the end of the year was 202 monthly wards committees meetings. The second type of wards meetings are Quarterly mass meeting, where wards committees report and collect wards challenges to council. 73 quarterly mass meetings were held in the financial year under review. The first quarter had a high turn up compared to other quarters; it recorded 26 quarterly wards committees meetings. Council recession in the middle of the 4th quarter in preparation for the local government elections has lowered number of quarterly wards committees meeting held to 09.

Key issues discussed in these meetings were:

- Lack of electricity;
- Impassability and construction of access roads;
- Insufficient Water supply and illegal connection in the rural areas;
- High rate of unemployment among the youth; and
- Sanitation

The table below summarized issues discussed in different public meetings and the dates the meetings were held. A full detailed report of the monthly wards committee and quarterly mass meetings is depicted on appendices E and F.

Figure/Table 12: Public meetings

Public meetings					
Nature and purpose of the meetings	Date of events	Number of participating municipal councillors	Number of participating municipal Administrators	Number of community members attending	Date and manner of community feedback
1. Exco-Outreach	12/05/2010,	16	10	56	Feedback are given in ward mass meeting by the ward councillors
	18/05/2010	15	8	63	Feedback are given in ward mass meeting by the ward councillors
	13/05/2010	21	10	105	Feedback are given in ward mass meeting by the ward councillors
	07/10/2010	6	8	228	Feedback are given in ward mass meeting by the ward councillors
	18/10/2010	4	5	34	Feedback are given in ward mass meeting by the ward councillors
2. IDP/PMS forum	21 April 2010	30	10	32	Feedbacks are given during the next forum, thorough letters and during IDP consultations

3. IDP/PMS public consultation	19/03/2011	53	41	486	Feedbacks are given to Ward councillors to report to their constituency
4. SOLMA	Not held	Not held	Not held	Not held	Not held

2.5. IDP Participation and Alignment

Figure/table 13: IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.6. Risk management

Risk management is the process of identifying significant risks to achievement of the organizations strategic and operational objectives, evaluating their potential consequences and implementing the most effective ways of controlling them. There are different types of risk management; GTM uses the enterprise risk management (ERM). The advantage of this approach is that it recognizes that risks are dynamic and often highly interdependent and ought not to be considered and managed in isolation. It responds to this challenge by providing a methodology for managing institution wide risks in a comprehensive and integrated way.

In ERM, the service department accounts to the Accounting office. It is tasked with the overall efficiency of enterprise risk management. It ensures that a risk aware culture and risk management practices are embedded in the municipality. It coordinates the risk management activities and facilitates risk monitoring improvement across the municipality.

The following are five top risks in the municipality:

- Inadequate infrastructure/ lack of bulk infrastructure;
- Inadequate human resource management;
- Inadequate inter-governmental relations;
- Inadequate compliance with Legislations and policies; and
- Inadequate funding to fulfill mandates.

2.7. Anti – corruption and fraud

The municipality has a draft anti – corruption and fraud policy which will be taken to council for adoption in the coming financial year.

2.8. Supply Chain management

Regulation 38 (1) of the Greater Tubatse Supply Chain Management policy sets all the factors for combating the abuse of the supply chain management processes. All the bidders are required to complete the MBD 4 form (aimed at getting a declaration from the bidder that s/he is not in the service of the state), MBD 8 (aimed at getting historical working relations between the client and the contractor/service provider with regard to the execution of past contracts) and MBD 9 (aimed at restricting collusive bidding during tendering).

The supply chain management unit is also conducting a clearance of prospective bidders with National Treasury (restrictions@treasury.gov.za) prior appointment of service providers / contractors to determine if they are not blacklisted / restricted from doing business with the public sector and municipalities in particular). This is in compliance to the MFMA Circular No. 46

Supply Chain Management practitioners, members of the bid committees and every municipal official are required to declare their financial interests on annual basis.

2.9. By-laws

No new by-law was promulgated in year under review. Insufficient resources both human and material hamper the implementation of by-laws in the municipality. An example is the noise pollution by-law, lack of sound meters make it difficult for the municipality to implement the by-law. The municipality is planning to improve in this area in the coming financial year.

2.10. Website

The loading of website is the competency of municipal communication unit. In the year under review, the municipality had an unsatisfactory performance on loading of websites. To alleviate the challenge Secretariat committee comprising a representative from each department was established. The scope of the committee was to collect issue for website from the various departments

to be loaded on website; research on matters of community interest to be presented in the municipal newsletters and lastly to research and report on media issues to communication unit to release an informed media responds. Below is list of matters and dates on which matters were loaded in the municipality website.

Figure/Table 14: Municipal website

Municipal Website		
Documents published in the Municipal website	Yes/No	Publishing date
Current annual and adjustments budget and budget related documents	Yes	27/10/2011
All budget related policies	Yes	02/03/2011
The previous annual report(2009/2010)	Yes	25/07/2011
The annual report (2010/2011) published/ to be published	No	On progress
All current performance agreements required in terms of section 57(1)(b) of the MSA (2010/2011) and related scorecards	No	None
All service delivery agreements (2010/2011)	Yes	28/02/2011
All long term borrowing contracts (2010/2011)	No	None
All SCM contracts above a prescribed value for 2010/2011)	Yes	21/07/2011
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2010/2011	No	None
Contracts agreed in 2010/2011 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	None
Public – private partnership agreements referred to in section 120 made in 2010/2011during	No	None
All quarterly reports tabled in the Council inn terms of section 52 d)	Yes	25/07/2011

2.11. Public Satisfaction on municipal Services

In the previous two consecutive financial years, the department of local government currently department cooperative governance, human settlement and traditional affairs conducted a client satisfaction survey at GTM on behalf of the municipality. Late release of the results by both the service provider and the department unable the municipality to develop an action plans to respond/address the findings. Engagements with the above said department to release the results before municipalities go for their strategic planning sessions were made for municipalities to strategize around the raised issues. Commitments were made that 2010/2011 survey will be released in time.

Limited powers and functions of our municipality to deliver based services render the municipality inefficient in addressing/ responding to our clients needs. Below is a table for 2008/2009 and 2009/2010 survey findings.

Figure/Table 15: Client satisfactions survey findings for 2008/09 and 2009/10 financial years

Satisfaction Survey undertaken during 2008/2009 and 2009/2010							
Subjects matters of survey	Survey Method	Survey dates		No of people included in survey		Survey results indicating satisfaction or better (%)	
Overall satisfaction with		2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
(a) Municipality	Face to face interview with randomly selected customers	March 2009	December 2010	388	434	50%	29.71%
(b) Municipal service delivery	Face to face interview with	March 2009	December 2010	388	434	61%	49.4%

	randomly selected customers						
(c) Mayor	N/A	N/A	N/A	N/A		N/A	
Satisfaction with							
(a) Refuse collection	Face to face interview with randomly selected customers	March 2009	December 2010	388	434	49%	23%
(b) Roads maintenance	Face to face interview with randomly selected customers	March 2009	December 2010	388	434	41%	35%
(c) Electricity supply	Face to face interview with randomly selected customers	March 2009	December 2010	388	434	55%	36%
(D) Water supply	Face to face interview with randomly selected customers	March 2009	December 2010	388	434	51%	19%
(e) Sanitation	Face to face interview with	March 2009	December 2010	388	434	49%	37%

	randomly selected customers						
(f) Information supplied by municipality to the public	Face to face interview with randomly selected customers	March 2009	December 2010	388	434	43%	10%
(g) Opportunities for consultation municipal affairs	Face to face interview with randomly selected customers	March 2009	December 2010	388	434	49%	6%

Chapter 03

CHAPTER 03: SERVICE DELIVERY PERFORMANCE (Performance report part I)

COMPONENT A: BASIC SERVICES

3.1. Introduction

Because of the size and capacity of the greater Tubatse municipality, this chapter would not report on components as expected by guidelines given to municipalities on chapter 03. The chapter will selectively report on functions the municipality performs from the guidelines, namely, Electricity, refuse removal, roads, library and community facilities, bio-diversity and landscape, and sport and recreations.

3.2. Electricity

The municipality is not an Electricity authority, provision of electricity is the competency of ESKOM. GTM incorporation with DMR constructs electricity infrastructure for house to house connections and handed them over to ESKOM for energizing. According to COGTA's 2009 Basic services publications, in 2009 the electricity backlog in municipality was at 30% (28 961 households). Numerous interventions were made to assuage the backlog, but lack of electricity capacity in certain areas of the municipality for ESKOM to energize; lack of electricity license and financial constraints hamper the municipal progress towards achieving its 2014 millennium goal on electricity. To alleviate the situation the municipality has applied for electricity license and still waiting responds from ESKOM; engaged ESKOM to address capacity matter to other areas and ESKOM had developed a programme to address the challenge. Provision of solar panel as temporary measures to very remote villages has been suggested to start in the 2011/2012 financial year with 2000 households. The municipality is in continues talks with DMR to allocate enough funds to the municipality to alleviate the electricity backlog.

In the year under review, the municipality electrified 920 new households; 297 in Maahlashi, 423 in Kgotlopong and 200 in Ga- Maepa. When the financial year ended, Maepa village was energized while Maahlashi and Kgotlopong were outstanding. Maahlashi project is planned for two consecutive years; the second phase is due in 2011/2012 financial year.

In 2009/10 financial year, 1893 new households were electrified; 600 by ESKOM and 1293 by the municipality. In 2011/2012 financial year, 2088 new households in the municipality will be electrified. Nine villages, namely: Maahlashi, Mafarafara, Ga-Malepe, Ga-Moraba, Ga-

Motshana, Ga- Mokgotho, Maretlwaneng, Mankele and Ga-Mamogolo will benefit from the project.

The table below compares electricity provisioning in the municipality since 2009/10 to 2011/2012.

Figure/table 16: Electrification

Financial year	Number of villages benefited	Number of Households benefited
2009/2010	6	1893
2010/2011	3	920
2011/2012	9	2088

3.2.1. Electricity services Employees

The municipality has not established a department to deal specifically with electricity services, Construction and monitoring of Electricity projects are the competencies of project management unit in Technical services department. Therefore there would not be any break down of staff for electricity services.

3.2.2. Electricity services capital expenditure

Figure/Table 17: Capital Expenditure

Capital Expenditure 2010/2011: Electricity services					
Capital Projects	Budget	Adjusted Budget	Actual Expenditure	Variance from Original budget	Total project value
Total all	R9 000 000	R9 000 000	R9 000 000	0%	R9 000 000
1. Maepa	R2 000 000	R2 000 000	R2 000 000	0%	R2 000 000
2. Kgotlopong	R4 230 000	R4 230 000	R4 230 000	0%	R4 230 000
3. Mahlashi phase 01	R2 770 000	R2 770 000	R2 770 000	0%	R2 770 000

3.3. Refuse Removal

The municipality renders Refuse removal only in the proclaimed areas, namely: Burgersfort, Mapodile, Praktiseer, Ohrigstad and Steelpoort. For the financial year under review, 4309 households benefited from the service compared to 4291 that benefited last financial year; that made an increase of 18 new households in the programme.

The service in Burgersfort town is contracted to Bauba Marumo waste management who remove refuse on behalf of the municipality; and other areas are service by municipality. The table below depicts number of households benefited.

Figure/table 18: Refuse removal

Areas	Number of households
Burgersfort	926
Mapodile	691
Praktiseer	2331
Ohrigstad	172
Steelpoort	189
Total	4309

3.4. Free Basic services and Indigent support

The municipality provides only free basic Electricity to its indigent's population. Out of 39 000 indigent households identified by 2007 community survey, 9292 beneficiaries are configured and only 6067 collected their tokens monthly. Insufficient vendor machines in deep rural areas of the municipality and poor publicity of the programme contributed to the low collection and registration in the programme. To improve the situation, Executive committee in its 2010/2011 financial year second Exco – Lekgotla recommended the involvement of ward councillors and community Development workers in the registration of the beneficiaries and monitoring of the programme

Figure/Table 19: Free Basic Services

Free Basic Services on low income households										
Financial Year	Number of households									
	Total		Free basic water		Free basic sanitation		Free basic Electricity		Free basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2008/09	39 000	9292	District Competency	N/A	District Competency	N/A	6067	65%	N/A	N/A
2009/10	39 000	9292	District Competency	N/A	District Competency	N/A	6067	65%	N/A	N/A
2010/2011	39 000	9292	District Competency	N/A	District Competency	N/A	6067	65%	N/A	N/A

Figure/Table 20: Cost to municipality of free basic services delivery

Financial Performance 2010/11: Cost to municipality of free basic services delivery					
Service Delivery	2009/2010	2010/2011			
		Budget	Adjustment Budget	Actual	Variance from Original Budget
Free basic water	District Competency	District Competency	District Competency	District Competency	District Competency
Free basic sanitation	District Competency	District Competency	District Competency	District Competency	District Competency
Free basic Electricity	R154 679	R400 000	R400 000	R400 000	0%
Free basic Refuse	N/A	N/A	N/A	N/A	N/A

COMPONENT B: ROAD TRANSPORT

3.5. Roads

The municipal road network is estimated to 798.9km. 39% of it is surfaced and 61% un-surfaced. These includes internal streets and roads that joint different villages. Municipality has a road master plan which was adopted by council. The objective of the municipality is to have all its roads upgraded from grave to tar to improve its impassability and improve connectivity of different villages through the construction of access bridges. Insufficient funds hamper the implementation of the plan. In most cases the municipality utilizes MIG for construction of roads.

In the year under review three access roads at value of R11.3 million were upgraded from gravel to Asphalt and pavement, namely: Bothashoek and Ngwaabe Asphalt and Ga-Phala to Modubeng to pavement. By the end of the financial year, Bothashoek and Ga-Phala to Modubeng access roads were completed but Ngwaabe access road was at 60% completion. The project was interrupted by the community interference and claim for royalties by the traditional leaders which took time to be resolved.

The table below depicts the comparison of access roads in 2009/10, 2010/11 and 2011/2012 financial years

Figure/table 21: Gravel road Infrastructure

Gravel Road Infrastructure				
Financial Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2008/09	487.3km	None	2.5km	55.3km
2009/10	484.8km	4km	4km	1525km
2010/2011	480.8km	None	5.04km	594.9km

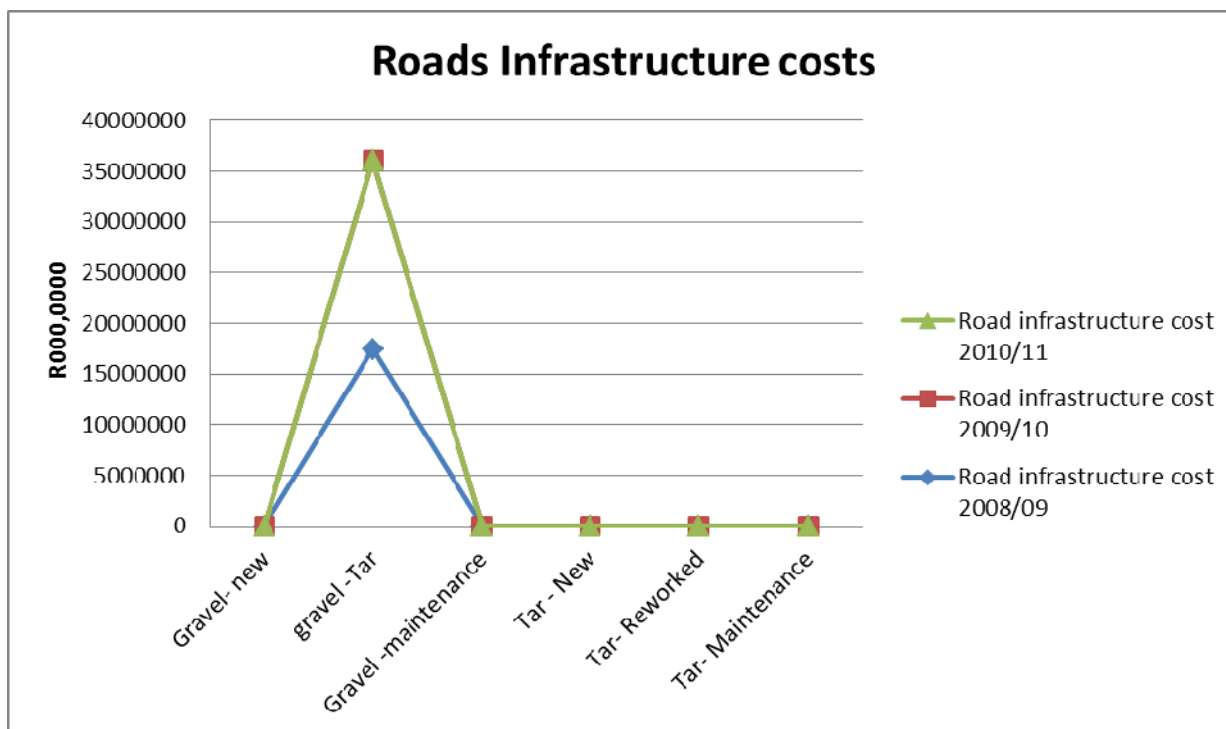
Figure/table 22: Asphalted Road Infrastructure

Asphalted Road Infrastructure					
Financial year	Total asphalted road	New asphalted road	Existing asphalted roads re-asphalted	Existing asphalted roads re-sheeted	Asphalted roads maintained
2008/09	311.6km	2.5km	None	None	732.82m ² repair of potholes
2009/10	314.1km	4km	None	None	1320.72m ² repair of potholes
2010/2011	318.1km	3.24km asphalted, 1.1km paving and 0.7km tar	None	None	1847.16m ² repair of potholes

Figure/Table 23: Cost of construction/Maintenance

Cost of construction/Maintenance						
	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
2008/2009	None	R17 465 000	None	None	None	None
2009/2010	None	R18 617 000	None	None	None	None
2010/2011	R4 800 000	R17 161 000	None	None	None	None

Chart 06: Roads Infrastructure costs



Figure/Table 24: Road Services employees

Employee: Road services					
Job level	2009/10	2010/2011			
	Employee No	Post No	Employee No	Vacancies(fulltime equivalents)	Vacancies(as a % total posts
0 -3	2(including Director)	2	2	1	0%
4 -6	1	1	1	1	0%
7-9	6	6	6	1	0%

Figure/table 26: Road Services Financial performance 2010/2011

Financial performance 2010/2011: Road Services					
Details	2009/2010	2010/2011			
	Actual	Original budget	Adjusted budget	Actual	Variances to budget
Total Operational Revenue(excluding Tariff)	R19 737 000	-	-	-	-
Employees	R838 002	R1 578 720	R1 578 720	R1 578 720	0%
Repair and Maintaince	R1 242591	R4 400 000	R3 737 591	R3 737 591	15%
Others	R600 514	R5 600 000	R3 105 000	R3 105 000	44%
Total Operational Expenditure	R2 554 129	R11 578 720	R8 421 311	R8 421 311	27%
Net Operational (Services) Expenditure	(R13 921 335)	R11 578 720	R8 421 311	R8 421 311	27%

Figure/Table 27: Road Services Capital Expenditure 2010/2011

Capital Expenditure 2010/2011: Road Services					
Capital Projects	2010/2011				
	Budget	Adjusted budget	Actual Expenditure	Variance from Original budget	Total Project value
Total All	R16 281 000	R16 281 000	R13 781 000	15%	R13 781 000
Ngwaabe Phase 03	R2 500 000	R2 500 000	R0	100%	R0
Burgersfort Phase 02	R2 500 000	R2 500 000	R2 500 000	0%	R2 500 000
Praktiseer phase 03	R3 281 000	R3 281 000	R3 281 000	0%	R3 281 000
Bothashoek	R4 400 000	R4 400 000	R4 400 000	0%	R4 400 000
Ga-Phala to Modubeng	R4 400 000	R4 400 000	R4 400 000	0%	R4 400 000

In the year under review four small access bridges at the value of R8.6 million were constructed at Mareseleng, Tswale &Tidintitsane, Lekgwareng at Ga-Motshana and Ga-Makofane. By the

end of the financial year the projects were completed. All the projects were implemented as EPWP programme.

In 2011/12 financial year, the municipal has planned to construct eight small access bridges at Alverton, Maropong, Mokobola, Molawetsi, and Motlolo at the value of R20 million.

3.51. Performance of the municipal public works unit

The unit plays an important role in grading of rural roads especially access roads to cemeteries, internal roads, open and sports grounds before great/school events in the municipality. Insufficient and aging machineries which break frequently pose a challenge on the functionality of the unit. To improve the status the municipality has budgeted R5 million to purchase public works equipments in 2012/2013 financial year. Below is a reflection of its work in 2009/10 and 2010/2011.

Figure/table 28: Performance of public works unit

Item	Financial years Performance		
	2008/09	2009/10	2010/2011
Grading of streets	9.5km	321km	56.3km
Grading of streets before funerals	43km	845.3km	369.1km
Grading after disaster	2.8km	359.5km	169.5km
Grading of sporting fields	20 000m ²	215200m ²	95200m ²
Digging of graves	N/A	119	179

3.5.2. Erection of road signs

23 new road signs were erected during the financial year under view compared to 20 erected in 2009/10. Burgersfort and Steelpoort benefited from this programme with 19 road signs erected at Burgersfort and 4 at Steelpoort. Four signs were corrected at Burgersfort.

3.5.3. Removal of soil on road surface

The programme was conducted in the towns/townships and the table below reflect the comparison of 2009/10 and 2010/2011 and performance.

Figure/table 29: Removal of soil on road surface

Township/town	Financial years performance		
	2008/2009	2009/2010	2010/2011
Burgersfort	384.60m ²	24631.61m ²	80461m ²
Steelpoort	11213.05m ²	19162.47m ²	18618.18m ²
Ohrigstad	4539.31m ²	-	-
Praktiseer	None	7519.94m ²	12663.66m ²
Mapodile	None	1127.84m ²	37540m ²

COMPONENT C: PLANNING AND DEVELOPMENT

3.6. Planning

The municipal planning is the competency of the Town planning unit. The municipality has adopted its LUMS and SDF. A city development strategy was adopted by council in the year under review. Lack of municipal own land and land invasion pose a planning challenge in the municipality. To address the aforementioned challenges the municipality is in continuous engagement with Magoshes and department rural development and land reform to release land for development. The table below depicts application of LUMS in the municipality.

Figure/Table 30: Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011
Planning application received	14	1	35	20	99	146
Determination made in the year of receipt	8	0	10	17	52	102
Determination made in the following year	2	0	0	1	0	0
Applications withdrawn	0	0	0	1	0	0
Application outstanding at year end	6	1	25	2	47	44

Figure/Table 31: Planning Services Employees

Employee: Planning Services					
Job level	2009/10	2010/2011			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies(as a % of total posts) %
0 -3	3(Include Dir)	3(Include Dir)	3	0	0%
4 -6	5	5	5	0	0%

The financial performance of the planning services includes also of the Local economic development as they are within one department called Land and Economic Development.

Figure/Table 32: Planning Services & Local economic Development Financial performance 2010/2011

Financial performance 2010/2011:Planning Services & Local economic Development					
Details	2009/2010	2010/2011			
	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue(excluding tariff)	557 490	R1 836 500	R1 656 500	R1677 304	9%
Expenditure					
Employees	R6 981 130	R7 406 769	R7 406 769	R7 406 769	0%
Repair and maintenance	N/A	N/A	N/A	N/A	
Other	R5 432 143	5 410 000	2 570 000	R6 518 225	-20%
Total Operational Expenditure	12 413 273	12 816 769	9 976 769	13 924 995	-12%

Net Operational(Services) Expenditure	R11 855 783	R10 980 269	R8 320 269	R12 247 691	10%
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3.7. Local Economic Development

The municipality has adopted its LED strategy in June 2007. Core objectives of the strategy are: Accelerated Economic growth; job creation and poverty reductions. Its building blocks are:

(a) Sector development comprising of :

- Mining cluster,
- Tourism cluster,
- Horticulture cluster,
- Meat cluster,
- Nodal development and
- Informal sector development

(b) Economic infrastructure support comprising:

- Roads and transport,
- Water supply,
- Electrification,
- Telecommunication,
- Infrastructure development and
- Enterprise development

(c) Social development comprising:

- Education and skill development,
- Housing and

- Health,

(d) Institutional/government development comprising:

- Regulatory framework,
- Waste management plan,
- Financial soundness and management,
- LED directorate capacity building

Numerous interventions were made for the achievement of the abovementioned objectives. Municipality in collaboration with sector departments and business society has created jobs for its communities.

3.7.1. Job created through EPWP projects

Total of 2116 jobs opportunities were created through LED initiatives in 2010/2011. The number is far better than what was created in 2009/2010 (1290). The following projects/sectors contributed to the escalation:

- ❖ Olive tree plantation (145 jobs) at Kalkfontein;
- ❖ Land care projects (246 jobs) at Leboeng(soil conservation), Ga-Makofane(soil conservation), Ga-Motodi(Alien plant control), Morapaneng(soil conservation), Ga-Manock(Alien plant control), Sealane(soil conservation), sehunyane(tree planting and erection of fence), Magobading (tree planting), Moroke (erection of fence), Dithamaga(erection of fence);
- ❖ Municipality projects (201jobs);
- ❖ Community work projects (884 jobs) at wards 27, 6,2,10 and 17;
- ❖ Steelpoort supply park (86 jobs); and
- ❖ Household routine road maintenance (600 jobs)

The table gives a summary of jobs created in the municipality since 2008/09 to 2010/11 financial years thorough EPWP programmes.

Figure/Table 33: Job created through EPWP Projects

Job created through EPWP Projects		
Details	EPWP projects No.	Jobs created through EPWP projects No.
2008/2009	13	537
2009/2010	16	1290
2010/2011	19	2116

Figure/Table 34: Local Economic Development Services Employees

Employee: Local Economic Development Services					
Job level	2009/10	2010/2011			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies(as a % of total posts) %
0 - 3	2(include dir	2	2	0	0%
4 - 6	1	5	1	4	20%

3.7.2 Poverty Alleviation Projects

In the year under review the municipality intended to Support six poverty alleviation projects, namely: Mohlophi vegetable, Bosele Poultry, Hunadi Matjie vegetable, Kgoboko Poultry, Lepothane Poultry & Makgapeng Farming, but due to financial constraints only three projects, Mohlophi Vegetable, Bosele poultry and Hunadi Matjie vegetable were supported and R126 532,55 was spent . The table below depicts types of support provided, core business of the projects, village where the projects are and cost of the support.

Figure/table 35: Poverty alleviation projects

Project name	Core business	Village	Assistant provided	R-value
1. Mohlophi vegetable garden	Vegetable garden	Ga-Mohlophi (ward 19) former ward 11	Water provision; Garden equipments & chemicals; field solid galvanized toilet boreholes	R37 825.15
2. Bosele poultry garden	Poultry	Rootseng (ward 26)	Water provision	R51 186.00
3. Hunadi Matjie vegetable garden	Vegetable garden	Maakubu (ward 14)	Water provision	R44 448. 60

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.8. . Library and community facilities

The key objective of the municipality thorough its Library services are to create an informed community. Currently, the municipality has three libraries which are at Mapodile, Burgersfort and Ohrigstad. To accomplish its objectives of informed community, in 2010/2011 financial year the municipality scheduled four events namely Library week, Literacy day, Readathon and World book day and only Literacy day and library week materialized. Midyear examination disturbed the hosting of world book day at Maepa primary school. To avoid future confusions, school programmes will be considered when drawing up library outreach programmes. The table below reflects on the Library week and Literacy day celebrations.

Figure/table 36: Library programmes

Library programmes	
Library week	Literacy day
<ul style="list-style-type: none">• Library week celebration started on the 19th to 26 March 2011;• The theme of the celebration was “ Read in your language in the Library”;• The municipality hosted it’s from 22 to 26 March 2011 at Burgersfort library;• 47 learners mostly from Burgersfort project participated in the event;• During the celebration learners were taught how to search information through internet; how to use encyclopedias and how to find relevant sources.	<ul style="list-style-type: none">• The celebration was hosted at Mokgotho community hall on the 16th September 2010;• The purpose of the celebration was to encourage reading among all age groupings in the community;• 16 people participated in the celebration; this is a decrease in attendance compare to 121 people who participated in 2009/2010 financial year at Riba Primary school;• The municipality is working out a strategy to attract more people in future to attend this celebration in order to accomplish its goal of creating an informed nation.

3.8.1. Employee: community and social services

The employment profile below includes all units/functions in the community services department, which are social services, library, cemeteries, traffic and environmental services.

Figure/Table 37: community and social services Employees

Employee: community and social services					
Job level	2009/10	2010/2011			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies(as a % of total posts) %
0 - 3	3	4	4	0	0%
4 - 6	8	8	8	0	0%
7 - 9	17	26	24	2	8%
10 - 12	24	23	23	0	0%
Contract	3	3	3	0	0%
Total	55	64	62	2	8%

Figure/Table 38: community and social services financial performance 2010/2011

Financial performance 2010/2011: community and social services					
Details	2009/2010	2010/2011			
	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total Operational Revenue(excluding tariff)	-5381	-6 300	-6 300	-6 300	0%
Expenditure					
Employees	R1 148 973	R2 046 148	R2 046 148	R2 046 148	0%
Repair and maintenance	N/A	N/A	N/A	N/A	N/A
Other	R146 062	R253 000	R253 000	R253 000	0%
Total Operational Expenditure	R1 295 035	R2 299 148	R2 299 148	R2 299 148	0%
Net Operational(Services) Expenditure	R1 289 654	R2 292 848	R2 292 148	R2 292 148	0%

COMPONENT E: ENVIRONMENT PROTECTION

3.9. Environmental Restoration and Rehabilitation

Key focus areas of environmental protection unit in the municipality are parks maintenance, cemetery management and Disaster management. In the year under review, the municipality participated Arbor day celebrations, where the municipality distributed a number tree to different schools and social clubs in the municipality. A full report is reflected in the table below.

Figure/table 39: Environmental Restoration and Rehabilitation

Environmental Restoration and Rehabilitation	
Arbor day celebration	Cemetery management system
<ul style="list-style-type: none"> The celebration was held on the 16 September 2010 at Mokgotho Community Hall; 318 trees were planted in that day; Apart from the abovementioned number of trees the following were planted : <ul style="list-style-type: none"> ❖ 850 trees at Ga-Madiseng on 02- 02 -2011; ❖ 426 trees at Ga-Moraba on 23- 05 -2011; ❖ 425 trees at Ga-Mokgotho on 24 – 05 - 2011 	<ul style="list-style-type: none"> Since its introduction in 2009/2010 financial year cemetery management of has improved; Community interference in the allocation of graves poses a serious challenge to the system; an immediate intervention by ward councillors is imperative; An overall of 119 graves were dug in all municipal cemeteries; Municipality has created 89 jobs through the de-bushing, and maintenance of parks and cemeteries.
Disaster management plan	Limpopo School state of Environment competitions
<ul style="list-style-type: none"> The implementation of the disaster management plan has improved the disaster facilitation in the municipality; 37 disaster incidents were reported and 90% of them were responded to on time(within 12 hours); Poor attendance of meeting by Disaster management advisory council 	<ul style="list-style-type: none"> The competition was held on the 25th August 2010 at Driekop community hall; Total of 30 schools participated in the competition

need an immediate attention for the benefit of clients	
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COMPONENT F: SPORT AND RECREATION

3.10. Sport and Recreation

As part of youth development and improvement of relationship between the municipality and its communities, the municipality runs different sporting and cultural events annually, like beauty pageant, music competitions, sports tournaments and marathons. The events attract a number of people to recreation centers, both youth and adult. Lack of sufficient sporting complexes in the municipality nullifies the municipal efforts. Currently, the municipality has one sporting complex (Ntwampe sport complex) which is at northern part of the municipality. Other parts of the municipality rely on the former model C school facilities. e.g. Burgersfort, Steelpoort and Ohrigstad primary schools

In its 2010/2011 second quarter Exco – Lekgotla, the Executive committee mandated the community services Department to establish a stadium at Burgersfort alleviate the shortage of sporting facilities. Negotiations to acquire land at Ga-Manock are at an advanced stage.

In the year under review, the municipality participated / hosted the following events:

- Provincial Beauty pageant;
- Talent search with the theme “ I can sing”;
- Authorship workshop;
- Chess tournament; and
- O.R. Tambo games

The table below depicts sport and recreation event

Figure/table 40: Sport, Art and Cultural events

Sport, Art and Culture events	
Talent Search	Authorship workshop
<ul style="list-style-type: none"> • The local competition was held on the 15th October 2010 at Old Municipal Chamber and 45 people participated; • Adjudication was done by representative from Sports, Arts and Culture, local Arts and Culture council; • The theme of the campaign was 'I can sing'; • The district campaign was conduct on 16 October 2010 and the Provincial one on 23rd October 2010 at Landmark Lodge; and • Out of the ten selected finalists in the district level four of them were from Greater Tubatse Municipality. 	<ul style="list-style-type: none"> • Authorship –cum-Art indaba workshop was held on 2 June 2011 at Old Municipal Chamber to aspirant and established authors; • The workshop focused on drama book.
Local chess tournament	Local O.R Tambo games
<ul style="list-style-type: none"> • The tournament was held on 25th May 2011 at Sekhukhune FET College-Praktiseer Campus; • The tournament was between Love life and Praktiseer chess teams. 	<ul style="list-style-type: none"> • The events were held on 16 April 2011 at Sekhukhune FET College; • The following sports codes participated <ul style="list-style-type: none"> ❖ Male and female soccer ❖ Netball ❖ Tennis ❖ Boxing ❖ Chess ❖ Rugby • The event was mainstreamed with Primary Health Care Services from Department of Health Penge Hospital

COMPONENT G: HEALTH

3.11. HIV/AIDS campaigns

In strengthening the fight against the HIV/AIDS, the municipality has adopted a HIV/AIDS strategy, established Health promotion centre at old municipal building and runs HIV/AIDS campaigns to different stakeholders.

When completed, the centre will cater for different types of diseases like TB, high blood pressure, sugar diabetes and etc.

In the year under review, the municipality has hosted three HIV/AIDS campaigns, namely: Candle light, condom week and local world AIDS day. The events were successful; over 1 000 people attended and 465 tested to know their HIV/AIDS status. The table below depicts details of the events:

Figure/table 41: HIV/AIDS campaigns

HIV/AIDS campaigns	
Candle Light	Local world AIDS day
<ul style="list-style-type: none"> • The event was held in partnership with Aurum institute, Lifeline- Burgersfort, Marula platinum mine and Department of Health and social Development from the 11th to 12th June 2011 at Mooihoek Eleven Experience sport ground; • Its theme of was "touching lives"; • It was blessed by the attendance of the local HIV/AIDS ambassador Ms. Helen Moshwana; • It ran concurrently with HIV/AIDS testing; • 465 people tested; 254 male and 211 female; and 25 tested positive i.e. 3 male and 22 female • Eight team soccer tournament was organized to attract more youth to the 	<ul style="list-style-type: none"> • The campaign was held on 16 December 2010 at Tukakgomo Sports ground; • The theme of the campaign was "we are responsible"; • The campaign was well attended by the local people; and • Health checks were done

<p>event;</p> <ul style="list-style-type: none"> • The strategy was a success because the event was well attended to by both the youth and adults; and • The winner of the tournament was given soccer ball and a set of soccer jersey 	
STI condom week celebration	
<ul style="list-style-type: none"> • The event was held from 14 – 19 February 2011 at Ngwaabe village; • The high infection rate the area due to mining and construction of De hoop Dam prompt the hosting of the event at Ngwaabe; • The theme of the celebration was “ We are responsible and condom use is equals to responsible behavior by all”; • The celebration included the distribution of materials and condoms; and • spreading of the message in the local schools 	

CHAPTER 04

CHAPTER 04: ORGANIZATIONAL DEVELOPMENT (Performance report part in

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1. Introduction

The municipality has committed itself to improve the performance and capacity of its employees, including the politicians for better service delivery in the community. And in that regards, numerous purpose driven workshops; training interventions and OHS programmes were conducted in the year under review. The chapter will depicts on number of employees per department, Policies developed, training interventions the municipality conducted and number of employees benefited.

4.2. Employee totals, turnover and vacancies

By end of the 2010/2011 financial year, the municipal employees were 228 employees, comprising 123 male and 105 employees. The number has declined by 5 employees compared 2009/10 staff establishment due to resignations and deaths.

The municipality completed 2009/10 financial year without the following key positions: Municipal engineer, municipal manager, IT manager and project management unit manager. In the year under review advertisements were made to have the posts filled. Scarcity of some of these qualified employees such as Engineers and the inability of our geographic location to attract employees of scarce skills prolonged the recruitment processes. The HR unit is working on Retention strategy to attract and retain the employees with scarce skills. When completed and adopted by Council, it will be able to attract and retain employees with scarce skills.

When the financial year ended the recruitment processes were at interview stage. We hope that by the end of the first quarter in the 2011/2012 the processes will be completed. The table below reflects the municipal employees per departments and vacancy rate.

Figure/Table 42: Municipal Employees

Employees					
Description	2009/2010	2010/2011			
	Employee No.	Approved posts No.	Employee No.	Vacancies No	Vacancies %
Municipal manager's office	6	8	6	2	25%
Finance Department	29	32	28	4	9%
Community services	62	64	62	2	1.5%
Corporate services	47	45	44	1	4%
Technical Services	45	46	43	3	6.5%
Strategic Planning	7	8	8	0	0%
Economic and Land Development	15	16	15	1	6%
Executive Support	22	22	22	0	0%
Totals	233	241	228	13	5%

4.2.1. Vacancy rate

Figure/Table 43: Vacancy rate 2010/2011

Vacancy rate 2010/2011			
Designation	Total approved posts	*Variances(Total time that vacancies exist using fulltime equivalents)	* Variances(as a proportion of total posts in each category)
Municipal manager	01	1	100%
CFO	01	0	0%
Directors (section 57 Managers)	06	0	0%
Level one manager Managers accountable to section 57 managers)	28	3	11%
Professionals	37	2	5%
Technicians and trade	4	1	25%

workers			
Community & Personal Service Workers	32	01	3%
Clerical and administrative worker	55	3	5%
Machine operator & Drivers	29	01	3%
Labours	48	0	0%
Total	241	12	5%

4.2.2. Turn – over rate

Figure/Table 44: Turn-over rate

Turn – over rate			
Details	Total appointment as of the beginning of the financial year	Termination during the financial year	Turn – over rate
2009/2010	22	7	32%
2010/2011	5	8	160%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3. Policies

The municipality developed 32 HR policies in the year under review, 16 policies were adopted and work shopped to council and the remaining 16 will be workshopped and adopted 2011/2012.

Figure/Table 45: HR Policies and Plans

HR policies and Plans				
No.	Name of the policy	Completed %	Reviewed %	Date adopted by council or comments for failure to adopt
1.	Affirmative action	100%	100%	
2.	Attraction and retention	100%	100%	
3.	Code of conduct for employees	100%	100%	
4.	Delegations, Authorization &	100%	100%	27 March 2007

	Responsibility			
5.	Disciplinary code and procedures	100%	100%	
6.	Essential Services	100%	100%	
7.	Employee Assistance/Wellness	100%	Still new	19/04/2011
8.	Employment Equity	100%	100%	19/04/2011
9.	Exist Management	100%	100%	
10.	Grievance procedures	100%	100%	
11.	HIV/AIDS	100%	100%	October 2008
12.	Human Resource and Development	100%	100%	
13.	Information Technology	100%	100%	
14.	Job Evaluation	None	None	None
15.	Leave	100%	100%	
16.	Occupational Health and safety	100%	Still new	19/04/2011
17.	Official Housing	100%	100%	
18.	Official Journey	100%	100%	19/04/2011
19.	Official Transport to attend Funerals	None	None	None
20.	Official working hours and Overtime	100%	100%	
21.	Organizational Rights	None	None	None
22.	Payroll Deductions	100%	100%	
23.	Performance management and Development	100%	100%	04/10/2010
24.	Recruitment, Selection and Appointments	100%	Still new	19/04/2011
25.	Remuneration Scale and Allowances	100%	100%	
26.	Resettlement	100%	Still new	19/04/2011
27.	Sexual harassment	100%	100%	
28.	Skill development	100%	100%	
29.	Smoking	None	None	None
30.	Special skills	None	None	None
31.	Work Organization	None	None	None
32.	Uniform and protective clothing	None	None	None
33.	Employment practice policy	100%	Still new	19/04/2011
34.	Incapacity due to ill health policy	100%	Still new	19/04/2011
35.	Employee assistance program policy	100%	Still new	19/04/2011
36.	Intoxicating substance abuse policy	100%	Still new	19/04/2011
37.	Sundry conditions of Employment policy	100%	Still new	19/04/2011

4.4. Injuries, Sickness and suspensions

Figure/Table 46: Number and cost of Injuries on Duty

Number and cost of Injuries on Duty					
Type of Injury	Injury leave taken(days)	Employees using injury leave(No)	Proportion employees using sick leave (%)	Average Injury leaves per employee(days)	Total Estimated cost (R)
Required basic medical attention only	None	None	None	None	None
Temporary total disablement	116	05	4.3%	23	
Permanent disablement	None	None	None	None	None
Fatal	None	None	None	None	None
Total	116	05	4.3%	23	

4.4.1. Sick Leaves

Figure/Table 47: Number of days and cost of sick leave

Number of days and cost of sick leave(Excluding injury on duty)						
Designation	Total sick leave days	Proportion of sick leave without medical certification (%)	Employees using sick leaves(No)	Total employees in the post(No)	Average sick leave per Employees(days)	Estimated cost (R)
Directors and Corporate Managers	17	0	2	7	3	46189
Professionals	32	0	9	31	3	68800
Technicians and trade workers	82	0	11	23	2	77490
Community &Personal Service Workers	134	0.5	13	35	3	123280
Clerical and administrative	261	0	23	44	5	321030

worker						
Machine operator & Drivers	138	0	18	19	5	102672
Labour	380	2	36	71	4	180120
Total	1044	0,5	112	230	25	919581

4.4.2. Suspensions

The municipality has policies and regulation that guide the conducts of its employees while at duty. During the year under review no suspension of employees were recorded.

4.4.3. Disciplinary Action taken on cases of Financial Misconduct.

The municipality has a code of conducts for its employees and regulations/policies that guide the conducts of employees while at duty. No disciplinary actions on misconducts were taken in the financial year under review against any municipal employee.

4.5. Performance Rewards.

Performance of six section 57 employees was assessed in the year under review. It was the first assessment since the performance management system was introduced in 2006/07 financial year. No performance award was given as their performance were on average and according to the municipal performance framework and Performance regulation for 2006 award/bonus is given for employee who has out done him/herself.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5. Skill development and training

41 employees, including politicians received training in different courses in the financial under review. This includes 14 female and 27 male.

Figure/Table 48: Skill matrix

Skills Matrix														
Management level	Gender	The employees in the post as at 30 June 2010	Number of skilled employees required and actual as at 30 June 2011											
			Learner ships			Skills programmes and Other short courses			Other forms of training			Total		
		No.	Actual 30 June 2010	Actual June 2011	Target	Actual 30 June 2010	Actual June 2011	Target	Actual 30 June 2010	Actual June 2011	Target	Actual 30 June 2010	Actual June 2011	Target
Legislators	Female	26	0	0	0	45	2	4	4	2	4	45	4	8
	Male	31	0	0	0	40	2	4	4	2	4	40	4	8
Directors and senior managers	Female	8	0	0	0	5	2	4	0	0	0	5	2	4
	Male	24	0	0	0	21	2	4	0	0	0	21	2	4
Professionals	Female	14	0	2	2	4	4	7	0	0	0	4	4	7
	Male	24	0	0	0	9	7	7	0	0	0	9	7	7
Technicians and Trade Workers	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	0	1	0	0	0	0	0	1	0	0

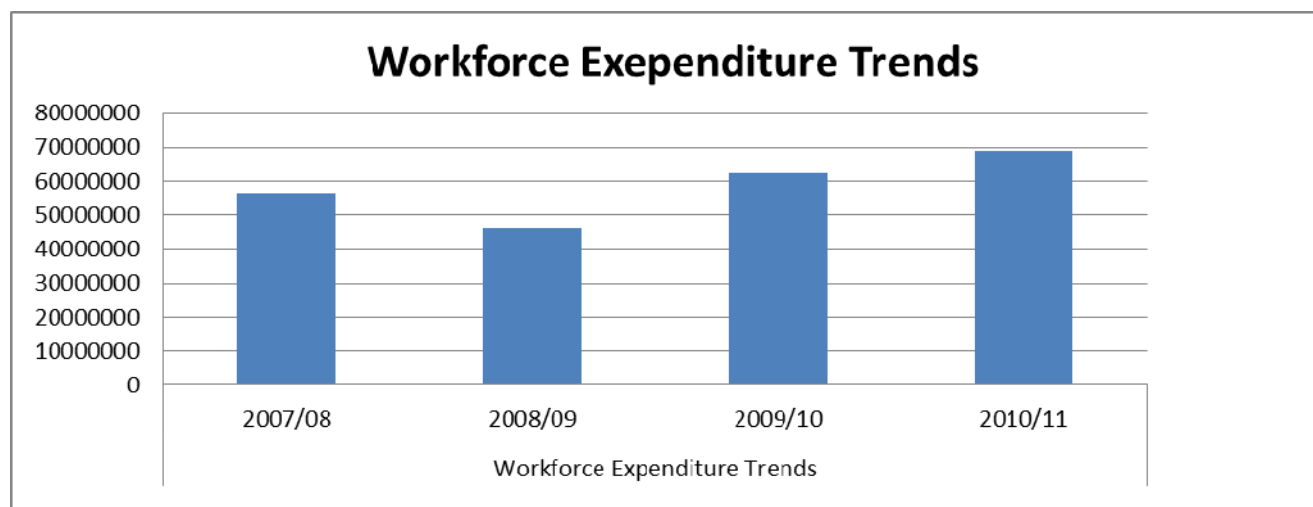
Community and Personal Service Workers	Female	12	0	0	0	8	5	12	0	0	0	8	5	12
	Male	20	0	0	0	6	14	19	0	0	0	6	14	19
Clerical and Administrative Workers	Female	41	0	0	0	9	0	0	0	0	0	9	0	0
	Male	13	0	0	0	3	0	0	0	0	0	3	0	0
Machine Operators and Drivers	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	23	0	0	0	3	0	0	0	0	0	3	0	0
Labourers	Female	27	0	0	0	0	0	0	0	0	0	0	0	0
	Male	21	0	0	0	0	0	0	0	0	0	0	0	0
Total	Female	71	0	0	0	71	14	14	0	0	0	71	14	14
	Male	80	0	0	0	83	27	30	0	0	0	83	27	30

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6. Workforce Expenditure

Municipalities are allowed to spend at least 34% of Budget on employees' salaries and other moneys on service delivery costs. Since 2006/07, GTM has been spending above the abovementioned target. Appointment of employees on unbudgeted posts and high number of employees who took the municipality to bargaining council contributed to the rocketing of workforce expenditure. Numerous interventions such freezing of posts at certain period; limitation of recruitment only to budgeted posts and other budget control measures have been introduced to scale down this rocketing expenditure. The expenditure has for 2010/2011 decreased from 44% to 38%. For 2011/2012 a committee comprising labour unions and management is established to address labour matters before are elevated to bargaining council.

Chart 07: Workforce Expenditure Trends



Figure/Table 49: Employees whose salaries were increased

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
MM and section 57 (level 0)	Female	0
	Male	0
Senior management (Levels 01)	Female	0
	Male	2
Middle management (Levels2-3)	Female	1
	Male	1
Professional qualified and experienced specialists(level 4 – 6)	Female	0
	Male	0

Skilled technical and academically qualified workers. Junior management and foreman(level 7 – 9)	Female	0
	Male	0
Skilled technical and academically qualified workers. Junior management and foreman(level 7 – 9)	Female	0
	Male	0
Semi skilled and discretionary decision making(level 10 – 15)	Female	0
	Male	0
Unskilled and defined decision making(level 16 – 17)	Female	0
	Male	0
Contracted	Female	0
	Male	0
Total		04

Figure/Table 50: Employees whose salaries exceed the grade as determined by Job evaluation

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	N/A	N/A	N/A	N/A

Figure/Table 51: Employees appointed to posts not approved

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
N/A	N/A	N/A	N/A	N/A

Four employees had their salaries been increased due to their positions being upgraded, these includes budget manager been upgraded to the position of deputy Chief Finance Officer, housing officer been upgraded to manager for housing and property development, asset officer upgraded to asst manager and IT manager at level three been upgraded to budget manager at level two.

Job evaluation was conducted hence there is no employee who has his/her salary exceeding the grade determined by job evaluation.

4.7. Disclosure of financial interests

Annually the municipality issues out disclosure of financial interest forms for its employees, including the legislators to sign. In the year under review all municipal employees and legislators had signed the disclosure of financial interest. Signing of declaration of financial interest is a standing item in every council meeting for councillor to declare if they have an interest to any matter before council.

CHAPTER 05

CHAPTER 05: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1. Statement of Financial Performance

Figure/Table 52: Statement of Financial Performance

Financial Summary R' 000						
Description	2009/10	Current Year 2010/11			2010/11 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	35 270 955	37 000 000	37 000 000	41 395 518	113%	113%
Service charges	5 703 543	19 296 084	19 296 084	6 986 648	36%	36%
Investment revenue	1 680 160	500 000	3 317 055	2 251 145	450%	68%
Transfers recognized - operational		99 814 956	98 639 500	97 923 108	98%	99%
Other own revenue	668 335	12 751 163	9 729 578	12 846 163		132%
Total Revenue (excluding Capital transfers & contributions)	43 322 993	136 062 203	167 736 217	161 402 582		96%
Employee costs	(60 282 357)	(73 589 000)	(72 268 629)	(68 910 939)	94%	95%
Remuneration of councillors	(13 071 966)	(12 820 000)	(13 289 634)	(13 186 583)	103%	99%
Depreciation & asset impairment	(7 131 139)	(5 200 000)	(2 700 000)	(24 237 511)	466%	898%
Finance charges	(1 712 776)	(2 477 000)	(2 477 000)	(11 550 558)	466%	466%
Debt impairment	(2 157 507)	(4 320 000)	(4 070 000)	(7 214 447)	167%	177%
Transfers and grants	(3 926 992)		(2 885 000)	(2 332 884)		81%
Other expenditure	(51 665 288)		(112 508 668)	(54 198 172)		48%
Total Expenditure	(142 921 588)		210 198 668	(181 573 793)		86%
Surplus/(Deficit)				(20 171 211)		48%
Transfers recognised - capital				38 243 000		2780%
Contributions recognised - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions			(41 087 258)	18 071 789		14%

Share of surplus/ (deficit) of associate					2780%
Surplus/(Deficit) for the year					
<u>Capital expenditure & funds sources</u>					
Capital expenditure					
Transfers recognized – capital			1 375 456	38 243 000	
Public contributions and donations				8 052 571	
Borrowing	1 127 594			1 603 919	
Internally generated funds					
Total sources of capital funds			455 903 401	455 903 401	
<u>Financial position</u>					
Total current assets	347 412 932 299 465			350 760 414	
Total non current assets	570			717 706 763	
Total current liabilities	58 806 098			90 697 833	
Total non current liabilities	18 331 427			17 616 220	
Community wealth/Equity					
<u>Cash flows</u>				44 778 508	
Net cash from (used) operating				71 404 059	
Net cash from (used) investing				23 785 654	
Net cash from (used) financing					
Cash/cash equivalents at year end			(5 295 102)	5 295 103	
<u>Cash backing/surplus reconciliation</u>					
Cash and investments available					
Application of cash and investments					
Balance - surplus (shortfall)					
<u>Asset management</u>					
Asset register summary (WDV)					
Depreciation and asset impairment					

Renewal of Existing Assets Repairs and Maintenance						
<u>Free services</u>						
Cost of Free Basic Services provided	1 080 577	3 000 000	3000 000	-	-	-
Revenue cost of free services provided						
<u>No. of Households below minimum service level</u>						
Water						
Sanitation/sewerage						
Energy						
Refuse						

Figure/Table 53: Financial Performance of Operational Services

Financial Performance of Operational Services R '000						
Description	2009/10	2010/2011			2010/2011 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<u>Operating Cost</u>						
Water						
Waste Water (Sanitation)	8 690 660			6 989 608		
Electricity						
Waste Management						
Housing						
Component A: sub-total	8 690 660			6 989 608		
Waste Water (Storm water Drainage)						
Roads/Transport	19 026 995			41 266 985		
Component B: sub-total	19 026 995			41 266 985		
Planning						
Local Economic Development	12 413 273			13 024 995		
Component B: sub-total	12 413 273			13 024 995		
Planning (Strategic & Regulatory)						
Local Economic Development						
Component C: sub-total						
Community & Social Services	7 177 629			6 940 070		
Environmental Protection						

Health						
Security and Safety	7 173 177			9 405 070		
Sport and Recreation						
Corporate Policy Offices						
and Other						
Component D: sub-total						
Total Expenditure	142 921 584			183 113 057		

5.2. Grants

Figure/Table 54: Grant Performance

Grant Performance						
R' 000						
Description	2009/2010	2010/2011			2010/2011 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:						
Equitable share	77 560 582	91 358 0 00	91 358 000	94 525 458	103%	103%
Municipal Systems Improvement	735 000	750 000	750 000	750 000	100%	100%
Finance management grant	1000 000	1000 000	1000 000	1000 000	100%	100%
Levy replacement						
Other transfers/grants						
[insert description]						
Provincial Government:						
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants						
[insert description]						
[insert description]						
Total Operating Transfers and Grants	79 295 582	79 295 582	79 295 582	96 275 458	82%	82%

5.3. Asset management

Figure/Table 55: TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2007/08 – 2010/2011

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2007/08 – 2010/2011				
Asset 1				
Name	Road Infrastructure			
Description	Construction of Access roads and bridge			
Asset Type	Infrastructure			
Key Staff Involved	PMU manager			
Staff Responsibilities	Monitoring of implementation and compliance			
	2007/08	2008/09	2009/10	2010/11
Asset Value	N/A	N/A	12 670 073	29 422 743
Capital Implications	MIG			
Future Purpose of Asset	Accessibility and connectivity of the villages			
Describe Key Issues	Upgrading of gravel to tar			
Policies in Place to Manage Asset	Repair and Maintenance			

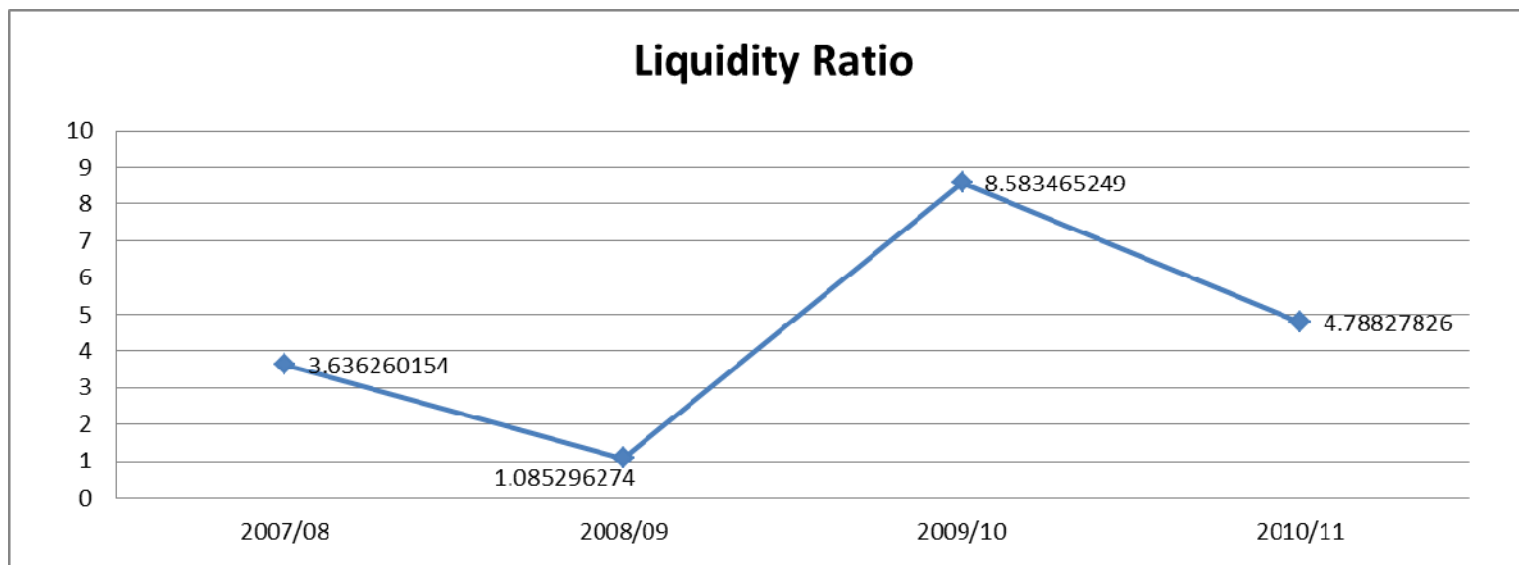
Asset 2				
Name	IT infrastructure			
Description	Upgrading of IT equipments			
Asset Type	IT			
Key Staff Involved	IT manager and technicians			
Staff Responsibilities	Give IT support to municipal staff			
	2007/08	2008/09	2009/10	2010/11
Asset Value	N/A	N/A	1 340 604	5 538 045
Capital Implications	Own			
Future Purpose of Asset	Improved accessibility of information			
Describe Key Issues	Desktop assistance			
Policies in Place to Manage Asset	IT policy			

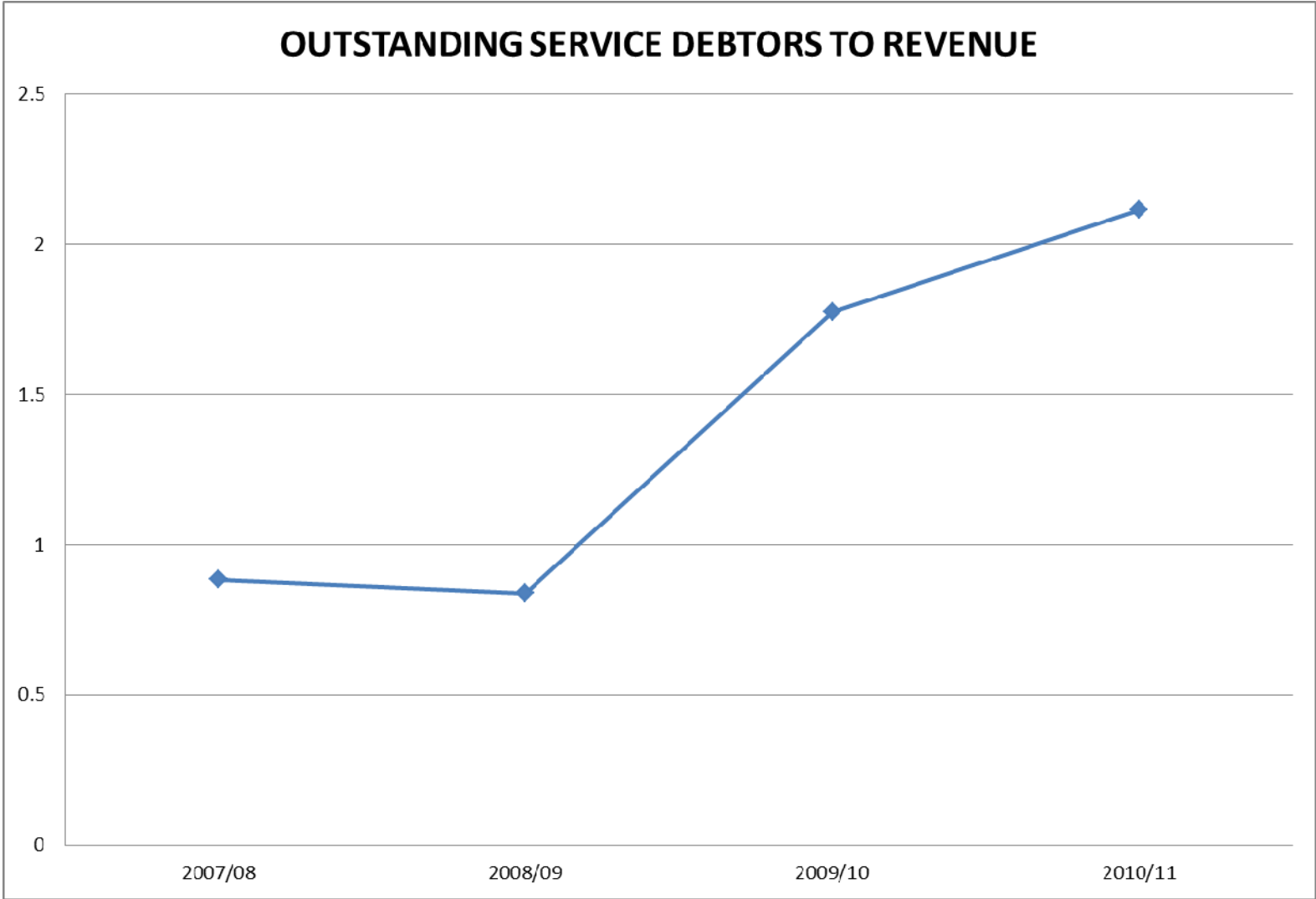
Asset 3				
Name	Office equipment			
Description	Purchase of office furniture			
Asset Type	furniture			
Key Staff Involved	Manager corporate admin			
Staff Responsibilities	Utilize and look after the furniture			
Asset Value	2007/08	2008/09	2009/10	2010/11
	N/A	N/A	1 294 351	8 449 414
Capital Implications	Own fund			
Future Purpose of Asset	N/A			
Describe Key Issues	N/A			
Policies in Place to Manage Asset	Repair and Maintaince			

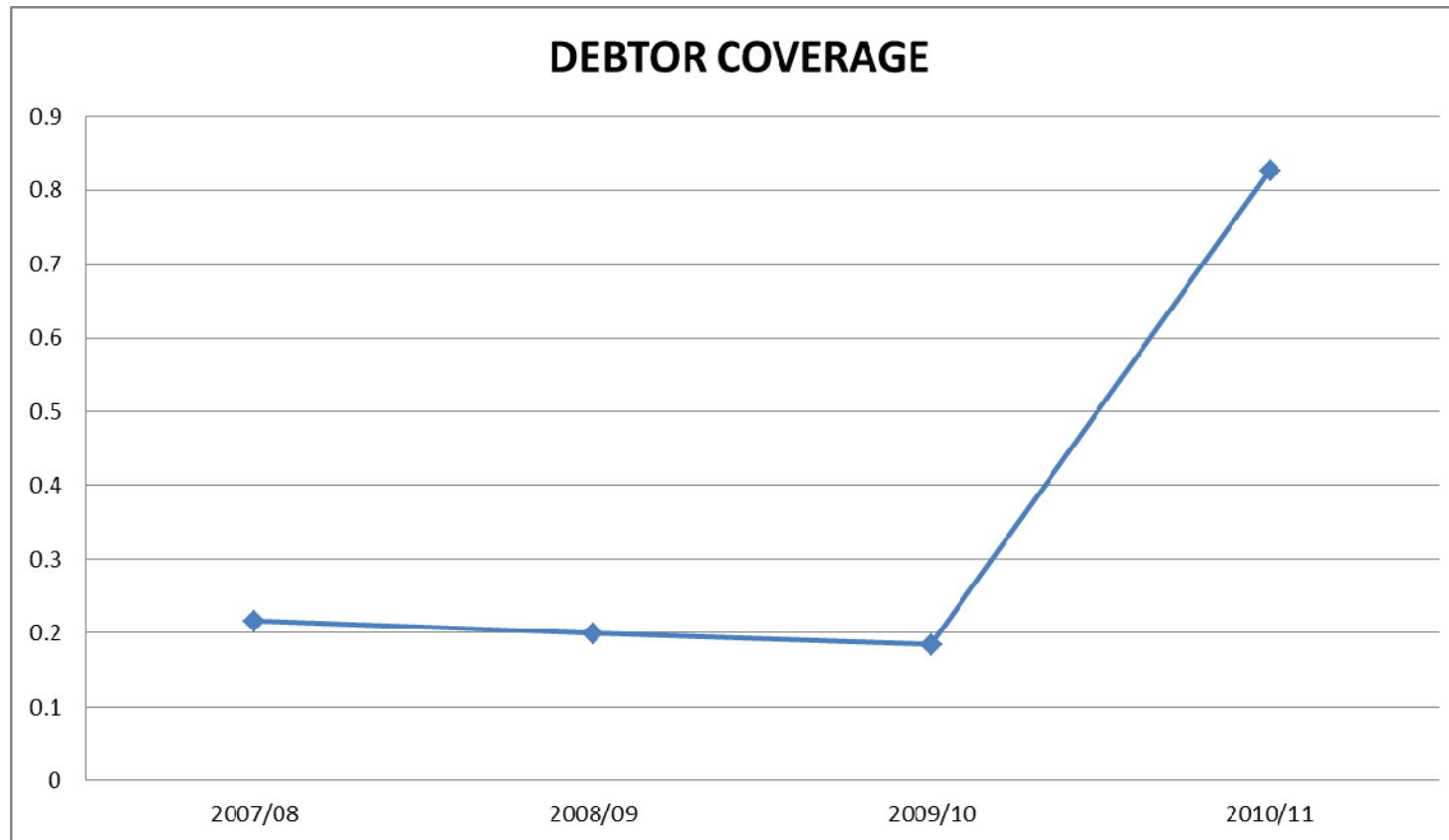
Figure/Table 56: Repair and Maintenance Expenditure

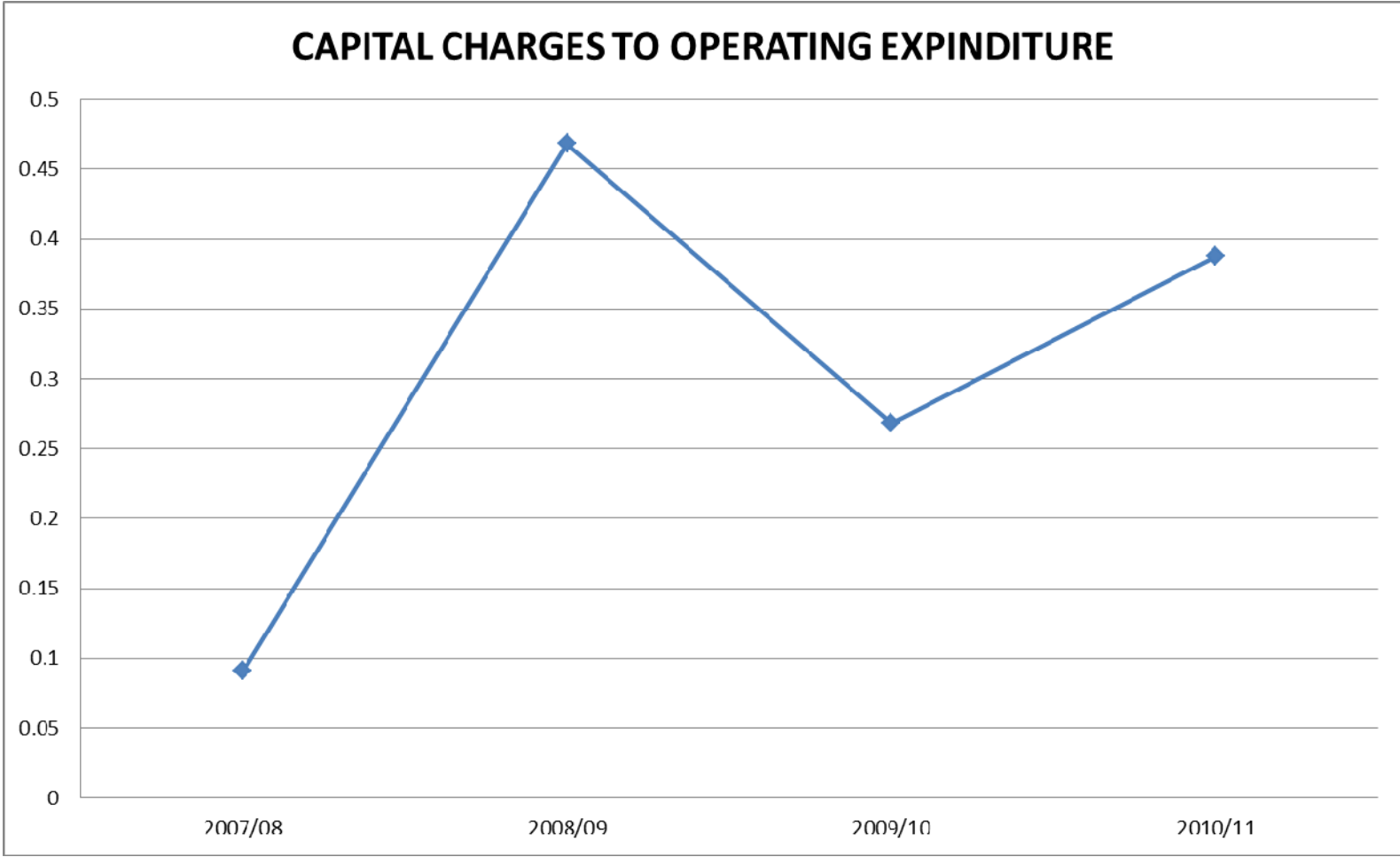
Repair and Maintenance Expenditure 2010/11				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	6 225 811	6 225 811	4 695 713	75%
				T5.3.4

5.4. Financial Ratios Based on Key Performance Indicators

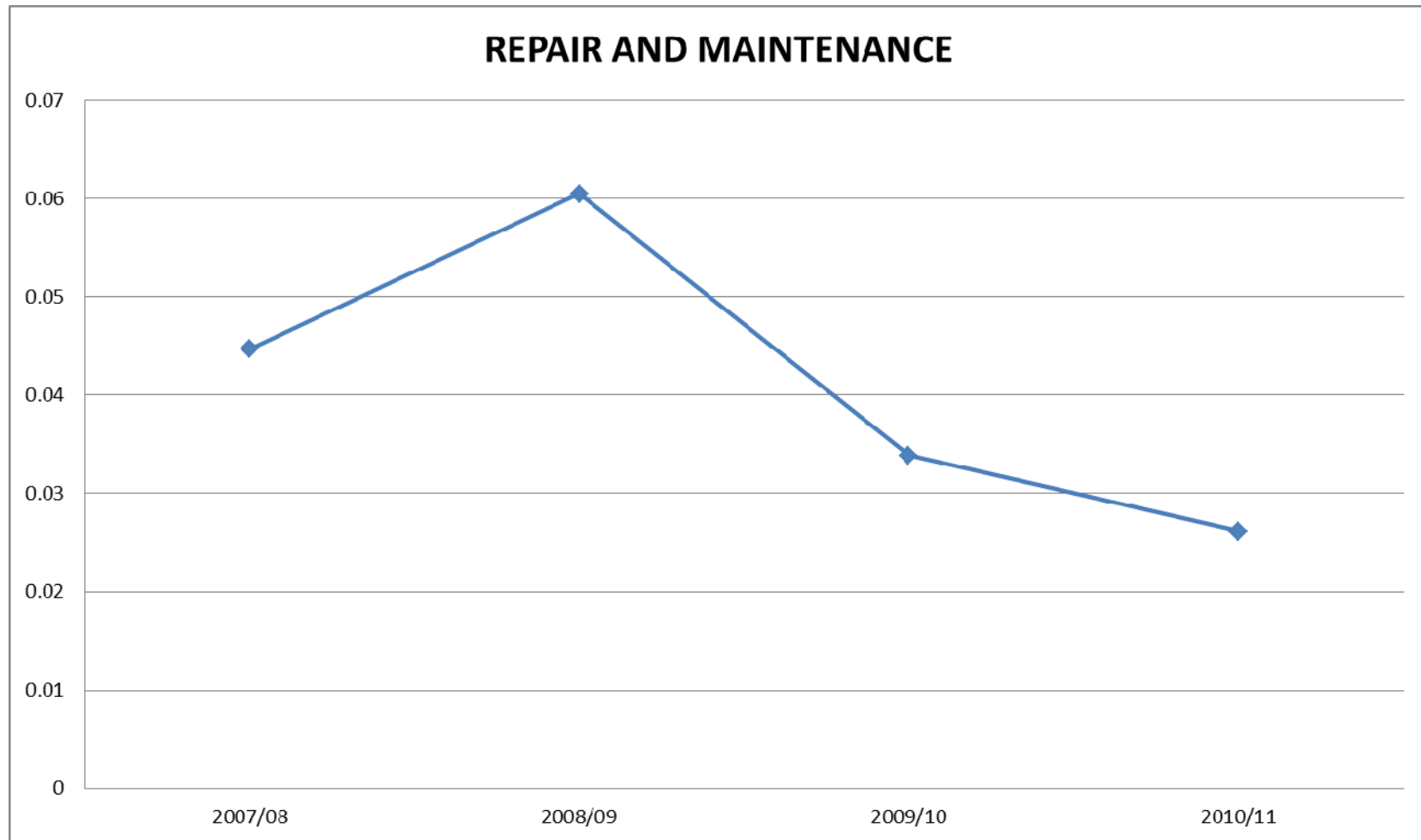










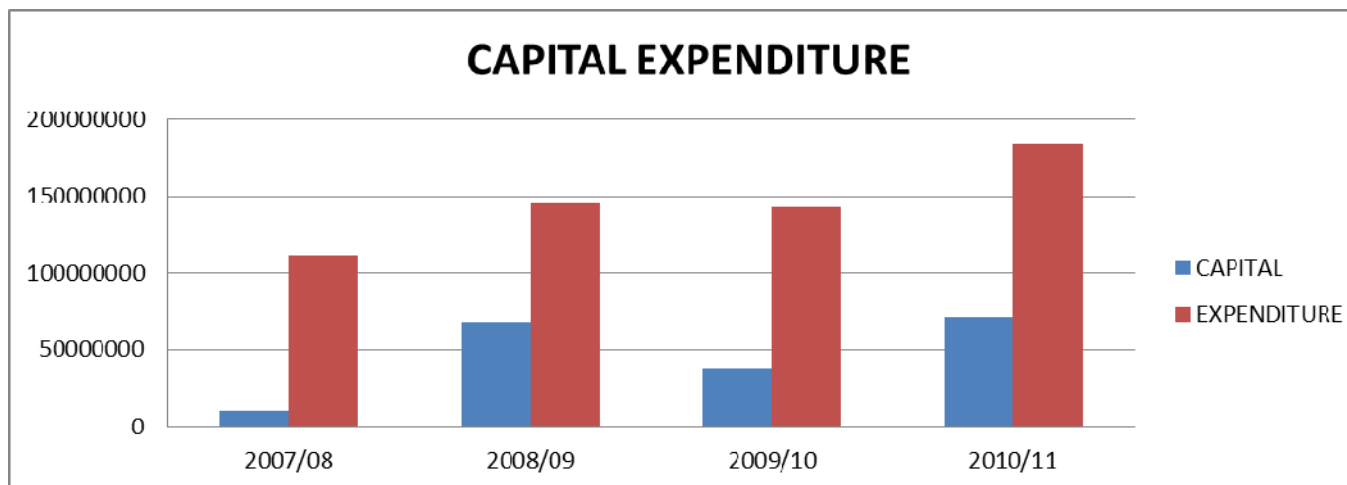


COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5. Capital Expenditure

The total capital budget for the municipality was R52 851 000. The funds were from grants and borrowing. Cash flow during the financial year delayed the commencement of some projects. Mareseleng Access Bridge was constructed in two financial years due to insufficient funding and the size of the bridge. It was carried over from the 2009/2010 to the financial under review. All capital projects except Ngwaabe internal street were completed when the financial year ended. Hence the expenditure was 87% when the financial ended.

Chart 08: Capital Expenditure



5.6. Sources of Finances

Figure/Table 57: Capital Expenditure

Capital Expenditure - Funding Sources 2009/10 - 2010/11							
R' 000							
Details		2009/10	2010/11				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	46 134 000	52 851 000	52 851 000	52 851 000	0%	0%
	Other						
Total		46 134 000	52 851 000	52 851 000	52 851 000	0%	0%
Percentage of finance							
	External loans						
	Public contributions and donations						
	Grants and	100%			100%	0%	0%

	subsidies						
	Other						

Capital expenditure							
	Water and sanitation						
	Electricity	11 726 000	9 000 000	9 000 000	9 000 000	0%	0%
	Housing						
	Roads and storm water	30 058 000	35 681 000	35 681 000	35 681 000		
	Other	4 350 000	5 170 000	5 170 000	5 170 000		
Total		46 134 000	49 851 000	49 851 000	49 851 000		
<i>Percentage of expenditure</i>							
	Water and sanitation						
	Electricity	100%			100%	0%	0%
	Housing						
	Roads and storm water	100%			100%	0%	0%
	Other	100%			100%	0%	0%

5.7. Capital Spending on 5 largest Projects

Figure/Table 58: Capital Expenditure of 5 largest projects

	Capital Expenditure of 5 largest projects*				
Name of Project	Current Year			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A – Burgersfort Internal street	R2 500 000	R2 500 000	R2 500 000	0%	0%
B – Praktiseer Internal street	R3 281 000	R3 281 000	R3 281 000	0%	0%
C – Mareseleng Access Bridge	R3 000 000	R3 000 000	R3 000 000	0%	0%
D – Bothashoek Access road	R4 440 000	R4 440 000	R4 440 000	0%	0%
E – Moeng community Hall	R3 000 000	R3 000 000	R3 000 000	0%	0%
Name of Project - A	Burgersfort Internal street				
Objective of Project	Construction of access road to the new municipal building				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	25 000				

Name of Project - B	Praktiseer Internal street
Objective of Project	Improve accessibility of Praktiseer roads
Delays	None
Future Challenges	None
Anticipated citizen benefits	8 000

5.8. Basic Service and Infrastructure Backlog – Overview

Figure/Table 59: Service Backlogs as at 30 June 2011

Service Backlogs as at 30 June 2011				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	53 026	79.3%	13 759	20.7%
Sanitation	10 193	19.3%	53 736	80.7%
Electricity	37 650	63.3%	28 961	29.7%
Waste management	4707	7.1%	61 904	92.9%
Housing		%		%

Figure/Table 60: Municipal Infrastructure Grant (MIG)* Expenditure 2010/2011 on Service backlogs

Municipal Infrastructure Grant (MIG)* Expenditure 2010/2011 on Service backlogs						
R' 000						
Details	Budget	Adjust- ment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	R16 881 000	R16 881 000	R16 881 000	0%	0%	None
<i>Storm water</i>						
Infrastructure - Electricity						
<i>Generation</i>						
<i>Transmission & Reticulation</i>						
<i>Street Lighting</i>						
Infrastructure - Water						
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>						
Infrastructure - Sanitation						
<i>Reticulation</i>						
<i>Sewerage purification</i>						
Infrastructure - Other						
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						
Other Specify:						

Community hall	R3 000 000	R3 000 000	R3 000 000	0%	0%	None
Total	19 000 000	19 000 000	19 000 000	0%	0%	None

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

5.9. Cash flow

Figure/Table 61: Cashflow

Cash Flow Outcomes				
R'000				
Description	2009/10	Current Year 2010/11		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	900,000			
Government – operating				98 639 500
Government - capital				37 526 600
Interest	1 680 160			2 308 446
Dividends				
Payments				
Suppliers and employees				
Finance charges	74 866			2 092 872
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	2 655 026	0	0	140 577 478
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	693 605			
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				

Decrease (increase) in non-current investments				
Payments				
Capital assets	38 298 642			71 404 059
NET CASH FROM/(USED) INVESTING ACTIVITIES	41 647 273	0	0	71 404 059
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	1 082 142			24 656 215
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	0	0	0	0
NET INCREASE/ (DECREASE) IN CASH HELD	1,900,000	0	0	0
Cash/cash equivalents at the year begin:				0
Cash/cash equivalents at the year end:		0	0	0

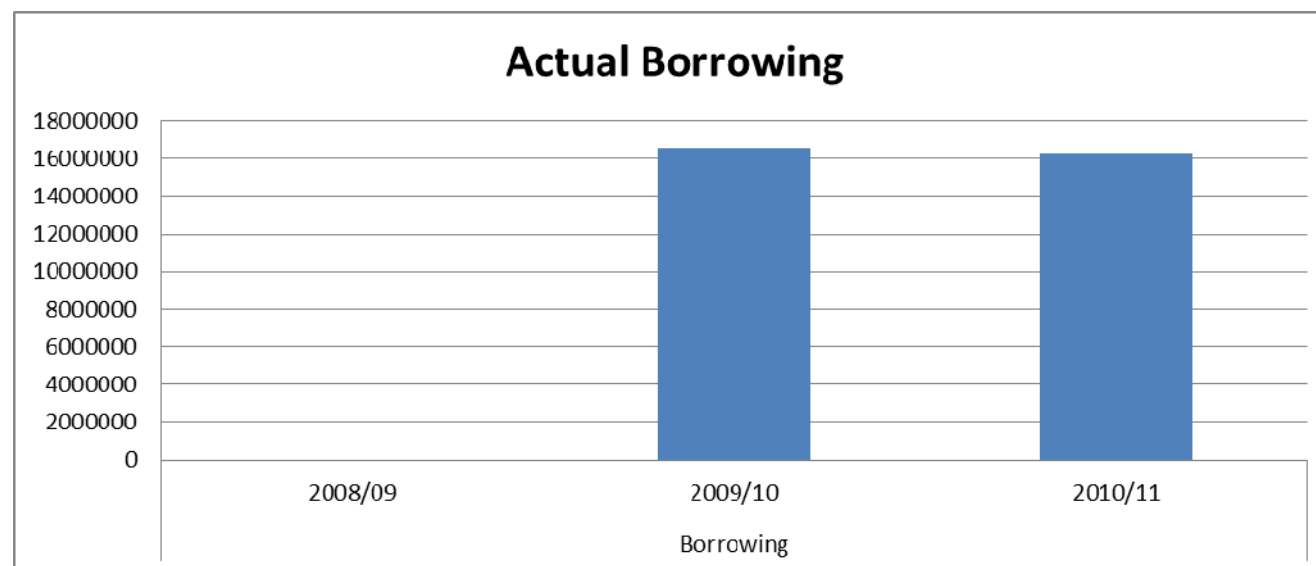
5.10. Borrowing and Investment

Figure/Table 62: Actual Borrowings 2007/08 - 2010/10

Actual Borrowings 2007/08 - 2010/10			
	R' 000		
Instrument	2008/09	2009/10	2010/11
<u>Municipality</u>			
Long-Term Loans (annuity/reducing balance)	N/A	16 598 015	16 263 877
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	N/A	16 598 015	16 263 877
<u>Municipal Entities</u>	N/A	N/A	N/A
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Installment Credit			
Financial Leases			

PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	1,000,000	200,000	90,000

Chart 09: Actual borrowing



5.11. Public Private Partnership

Section 120(1) of the MFMA, act 56 Of the 2003 allows municipalities to enter in Public – private partnership only if the municipality can demonstrate that the agreement will:

- (a) Provide value for money to the municipality;
- (b) Be affordable for the municipality ; and
- (c) Transfer appropriate technical, operational and financial risk to the private party.

Section 120(4) mandates the municipalities to conduct feasibilities study before concluding a public – private partnership, which explains the strategic and operational benefit of the PPP for the municipality in terms of its objectives.

In the year under review, the municipality did not enter into any public – private partnership.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12. Supply Chain management

The municipality has reviewed and adopted its Supply chain Management policy. Regulation 38 (1) of the policy, sets all the factors for combating the abuse of the supply chain management processes. All bids committees are appointed and functional. No councillor forms part of any committee. All the bidders are required to complete the MBD 4 form (aimed at getting a declaration from the bidder that s/he is not in the service of the state), MBD 8 (aimed at getting historical working relations between the client and the contractor/service provider with regard to the execution of past contracts) and MBD 9 (aimed at restricting collusive bidding during tendering).

The supply chain management unit is also conducting a clearance of prospective bidders with National Treasury (restrictions@treasury.gov.za) prior appointment of service providers / contractors to determine if they are not blacklisted / restricted from doing business with the public sector and municipalities in particular). This is in compliance to the MFMA Circular No. 46

Supply Chain Management practitioners, members of the bid committees and every municipal official are required to declare their financial interests on annual basis.

5.13. GRAP Compliance

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

According to 2010/2011 A.G. findings, in the financial year under review, the municipality has unbundled its infrastructure assets amounting to R384 499 342 as enclosed in note 3 to the financial statements in accordance with the property, plant and equipment. However, the municipality has not made a retrospective adjustment as required by directive 4.

CHAPTER 06

CHAPTER 06: AUDITOR GENERAL FINDINGS

COMPONENT A: AUDITOR GENERAL OPINION OF THE FINANCIAL STATEMENT 2009/2010

6.1. Auditor General Report 2009/2010

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement must be audited annually by the Auditor-General. For the 2009/2010 financial year the A.G. audited both the financial statement and performance information of the municipality, but did not give opinion of the performance information. Opinion was only given financial statement, and our municipality obtained a qualified opinion. The table below reflects basis for qualified opinion and measures taken to correct them.

Table/Figure 63: 2010/2011 progress report on A.G. findings action plan

Exception no.	Finding	Implementation Plan	Implementation results
1	2009/2010 Final AFS Review AFS not reviewed by AC before submission to AG	IA to fix standing date for AC for review of AFS	Schedule of meetings in place which will guide presentation of AFS to the AC.
2	Bank Reconciliations not performed on a timely basis	1. Already corrected from July 2010 2. Bank reconciliations are completed and reviewed on or before 7th every month	Implemented
3	Employment Contracts for employees not available for audit	1. HR to file the copies of all records 2. Leave management to be made special project	not implemented
4	No attendance registers kept for timekeeping of hours worked	1. Secure and safe keep all attendance registers for July to December 2010 2. All directors to be responsible for attendance in respective departments	Partially, HODs' keep records of attendance for daily monitoring and management of their departmental staff.
5	<ul style="list-style-type: none"> • Overtime worked do not agree with the time recorded in the attendance register • Overtime worked exceed 30% limit as per policy 	1. Maintain overtime pre approval for a week, to be signed by Director Corporate in advance. 2. Rationalizes work allocation for Plant Operators to avoid overtime 3. Develop standby/ inconvenience allowance for perpetual overtime	Not implemented
6	Vacant posts approved and Budgeted but not filled.	Provide audit trail for, Post advertisement, Proof of short listing & interviews, Post re-advertisement	Posts shall be informed by availability of Budget.
7	Late payments to SARS for months of Sept, Oct, Nov 2009	1. All payments to third parties and statutory payments to are made on the 30th of every month	Implemented, System corrected and properly linked to SARS account.

8	No proof of salary structuring for Sec 57 employees on employee files	1. Salary structuring to be approved by MM 2. Proof of current salary structuring already approved and filed	Implemented, structure in used approved by the Acting MM.
9	No IT Steering Committee in Place	1. MM to approve recommended IT steering committee (including external SITA official) 2. IT to develop Terms of Reference for the committee	Implemented, Committee in place with approved T.O.R and Charter
10	No Information Technology (IT) Disaster Recovery Plan	1. IT recovery plan and related policies in place 2. Advertise for IT Manager to manage the IT environment	1. Approved Policies in place and recovery plan to be prioritized for 2011/12 Financial year. 2. Position for IT Manager advertised.
11	No Disposal Committee	1. MM to approve recommended Disposal Committee at every disposal period 2. SCM to develop Terms of reference for the committee	1. The committee shall be constituted as and when the Disposal takes place.
12	GRAP 3 Disclosure on Inventory	1. AFS corrected – Prior year error noted in the AFS	Commit to conduct stock count on the 28 June 2011. Also to invite Office of AGSA for the stock count.
13	No compliance with the Asset Maintenance and Infrastructure Plans	1. Technical services to prepare and submit Infrastructure Maintenance Plans as per policy	Solicit Council approval for current Infrastructure Projects and for 2011/12 projects
14	Invoice of R 76, 000 for 2008/09 accounted for in 2009/10 (Overstatement of Expenditure)	AFS corrected, amount noted is below materiality.	Error Noted and Figure below materiality
15	Fruitless expenditure of R571, 000. Tata Truck purchased on 5/01/2009 and was never used	Awaiting court case in January 2011 for decision on delivery of registration papers	Matter referred to High Court
16	Outdoor Advertising Revenue for outdoor advertising was not received during the duration of the contract	Enforce the contractual obligations of the contract and seek remedy through legal means	An amount of R 27, 419.28 was received from Service provider. Audited Financial statement received from the service provider does not correlate to what the

			municipality has received from the service provider as their income collected from Advertising.
17	Market related rental - Municipal leased land The land is leased at prices which are below market value as recommended by the valuer	Policy on lease of property to be developed to ensure uniformity and correct implementation of leases	Constraint by content of signed contract and therefore engaging DLGH Legal unit by end March 2011
18	The Municipality did not prepare key performance indicators that are specific, measurable, accurate, relevant and time bound in the integrated development plan as required by sections 41, 44 and 45 of the Municipal Systems Act	The integrated development plan of Greater Tubatse Municipality did not include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets for all of the municipality's programmes, as required by Treasury Regulation 5.2.3(d)	Implemented, The process of re-aligning the municipal objectives, indicators and targets was performed during the IDP Review which was done during January 2011. SDBIP for 2010/11 also adjusted.
19	Risk Committee not in place during the period under review as required by section 62(1) of the MFMA	Establishment of the committee with approved terms of reference and charter.	The municipality has established Risk committee with approved charter and Terms of reference; Furthermore Provincial Treasury came with support assistance for development of Risk Strategy and Implementation Plan, Anti-Fraud and corruption strategy to be in drafts by end of March 2011.
20	Leave Management	Proper Filling, authorization and capturing of leave days	not implemented
21	Audit Committee: Non- submission of audit reports to the Council	Compliant to all relevant legislations	Submission made to council during December 2010. Further, submission to be presented to council by end march 2011. AC will ensure adherence to their charter and all relevant legislations.

COMPONENT B: AUDITOR GENERAL OPINION – 2010/2011

6.2. Auditor General Report 2010/2011

In 2010/2011 financial year the municipality obtained a qualified audit opinion. Action plan to address the findings is attached below

Figure/Table 64: 2010/2011 A.G. Findings action plan

Non – compliance Issues	Remedial Action taken
1. The municipality could not provide sufficient appropriate audit evidence to support journal entries of R12 147 845 debited to trade and other receivable and credited to trade and other payable to rectify a prior error	
2. The municipality did not recognize commission income in respect of the water services provided on the behalf of the district municipality amounting to R3 593 731.	
3. The municipality has not made a retrospective adjustment as required by directive 4.	
4. The municipality has not disclosed an irregular, fruitless and wasteful expenditure amounting to R5 858 205 as was required by section 125(2)(d) of the MFMA. Furthermore, there was no system in place for the identification and recognition of irregular expenditure	